

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 6, 1933

Pennsylvania Casualty Company

Associated Fire Insurance Company

FINANCIAL STATEMENTS, DECEMBER 31, 1932

ASSETS

Investments—Approved Bonds—Stocks and Real Estate	\$325,253.96
Cash in Banks and Office	25,429.43
Premiums in course of collection	31,810.52
Accrued Interest and Bills Receivable	18,635.38
Other Assets in course of Adjustment	71,500.00
 Total Assets	 \$472,629.29

LIABILITIES

Reserve for Unearned Premiums	\$106,942.60
Reserve for Claims and Adjustment Expenses	22,900.00
Reserve for Taxes and Bills and Commissions	23,431.04
Reserve for Investment Fluctuation	13,807.50
Reserve for Adjustment of Assets	70,230.00
 Total Liabilities	 \$237,311.14
Capital	\$175,000.00
Surplus	60,318.15
Surplus to Policyholders	\$235,318.15
 Total Assets	 \$472,629.29

ASSETS

Investment—Approved Bonds and Stocks	\$114,419.00
Cash in Banks and Office	19,345.56
Premiums in course of collection	20,053.47
Accrued Interest and Bills Receivable	22,407.04
Secured Salvage and Furniture—Fixtures	7,608.23
 Total Assets	 \$183,833.30

LIABILITIES

Reserve for Unearned Premiums	\$ 40,328.30
Reserve for Claims and Adjustment Expenses	6,600.00
Reserve for Investment Fluctuation	13,019.00
Reserve for Adjustment of Assets	6,845.73
 Total Liabilities	 \$ 66,793.03
Capital	\$100,000.00
Surplus	17,040.27
Surplus to Policyholders	\$117,040.27
 Total Assets	 \$183,833.30

For the further protection of Policyholders, automatic Reinsurance Treaties are in effect with the General Reinsurance Corporation, with Assets over \$11,000,000.00 covering excess Liabilities over \$5,000 and \$10,000 in any one accident and with the General Fire Assurance Company with Assets over \$2,000,000.00 covering Fire loss over \$5,000 in any one Fire on Automobiles.

COMBINED STATEMENT

Assets	\$656,462.59
Surplus to Policyholders	352,358.42

Over \$2,000,000.00 Paid to Claimants Since Organization

HOME OFFICE: LANCASTER, PA.

J. W. Smiley, President

E. W. Cook, Gen'l Mgr.

Accident & Health

Auto Liability

Property Damage

Collision

Fire & Theft

Great American Insurance Company New York

INCORPORATED - 1872

+

IN THESE TIMES

These are times of stress and strain. We are living in a most abnormal period. Disturbances and difficulties of almost every nature confront both companies and agents—unusual situations and problems must be met and solved almost daily.

In times like these it is comforting to agents of the Great American to know they have behind them an organization capable of properly meeting every contingency, for the Great American is never a "fair weather" company. It is as solidly back of its agents and their clients during these days of stress and strain as it will be when business will have righted itself again. A tie-up with the Great American assures an agent uniform service and support, not merely in fair weather but also during the days of adversity.

WESTERN DEPARTMENT
310 South Michigan Avenue :: CHICAGO, ILL.
C. R. STREET, Vice-President



driving...

for automobile premiums

The vigorous Service backing of a Company which co-operates promptly, sensibly, and to real purpose, is behind all "L. & L. & G." agents in working out their plans for developing Automobile Insurance business.

Skillful driving for Automobile business will speed up your production—and a part of this skill may consist in the judicious use of various sales helps: mailing enclosures, sales letters, window displays. We have such material available for your use.

In your drive for Automobile premiums, you will find our resources of experience, organization, and equipment a real power back of your selling activities.

150 WILLIAM STREET

NEW YORK, N. Y.





Union Assurance Society, Limited



The Palatine Insurance Company, Limited



The Commercial Union Fire Insurance Company



The California Insurance Company



Columbia Casualty Company



The British General Insurance Company Limited



The Ocean Accident and Guarantee Corporation, Limited



Commercial Union Assurance Company Limited



American Central Insurance Company

GROUP STRENGTH

INTERNATIONAL COMPANIES

WORLD-WIDE OPERATION

AND LOSS SETTLEMENT

FACILITIES

THE "Commercial Union Group" constitutes one of the largest and strongest insurance organizations in the world. Its activities extend to all parts of the world and embrace practically every known form of insurance.

Since their inception these individual companies have withstood the shocks of conflagrations and commercial recessions. Their far-flung operations in every phase of human activities offer greater financial protection to policyholders. These operations also make available to policyholders unsurpassed and world-wide loss settlement facilities.

These companies have steadfastly maintained a business policy based upon the knowledge that the purpose of an insurance company is to provide safe indemnity to its policyholders and security to the business interests of its agents and brokers.

All the companies of the "Group" take great pride in their business progress but even greater pride in the high character of their agency and brokerage representation which has been the bulwark of their success. A well-balanced agency will include one of these Fire and Casualty Companies.

Let the "Commercial Union Group" be your anchor of safety.

American Central Insurance Company

Established 1853

STATEMENT AS OF DECEMBER 31, 1932

RENDERED NEW YORK INSURANCE DEPARTMENT

Assets	\$ 7,040,556.03
Liabilities	3,462,541.10
Contingency Reserve	623,197.52
Surplus	2,954,817.41
Losses Paid to Date	65,464,903.32

COMMERCIAL UNION GROUP

ONE PARK AVENUE
NEW YORK

CHICAGO

ATLANTA

SAN FRANCISCO

The National Underwriter

Thirty-Seventh Year—No. 14

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 6, 1933

\$4.00 Per Year, 20 Cents a Copy

G. & R. Committee, Van Schaick Meet

Announcement Is Expected at Conclusion of the Conference in New York

EMPLOYES GET CHECKS

Court Directs Insurance Superintendent to Transfer Reinsurance of Stuyvesant to Another Company

NEW YORK, April 5.—The committee on reorganization of the Globe & Rutgers is holding a session with Superintendent Van Schaick this week. Members of the committee being close lipped, no advance information as to the nature of the proposition looking to the future of the company that will be submitted is available. It is expected a statement will be forthcoming at the conclusion of the conference.

The committee, which was selected March 28, is composed of: C. Hayden of Hayden, Stone & Co.; A. H. Swayne, vice-president General Motors Corp.; R. Schley, vice-president Chase National Bank; C. A. Dana, president Spicer Manufacturing Co.; W. F. Alexander of Alexander & Alexander, and H. E. Bilkley, vice-president Globe & Rutgers.

An important development in the affairs of the Stuyvesant was the issuance by Supreme Court Justice Glennon on Monday, of an order directing the insurance superintendent to permit the transfer by the company of the reinsurance arrangement it has had with the Globe & Rutgers since Dec. 31, 1931, to another corporation. The order of Justice Glennon which was a verbal one, was vigorously opposed. Argument in the matter will be heard today.

If the reinsurance arrangement proposed be carried out despite the opposition of the department the Stuyvesant will be enabled to carry on with its own resources. Based upon convention values the company at the close of 1932 possessed total assets of \$3,553,367; capital of \$1,000,000 and net surplus of \$584,597.

Pro Rata or Short Rate?

Agents and brokers appear to be in doubt as to the charge to be imposed upon canceled policies. The liability of a company ordering cancellation to pay the assured pro rata the unearned premium is clear; equally certain is it that when a policyholder orders cancellation he is chargeable on a short rate basis.

So long as the Globe & Rutgers continues under the direction of a rehabilitator it is considered a live institution. Should it pass into the hands of a receiver, its status would immediately change. All policies would then be canceled automatically upon a pro rata basis. Under these circumstances many brokers replaced Globe & Rutgers lines under binders, instead of securing new policies, on the theory that if the com-

(CONTINUED ON PAGE 18)

Officials Concerned Over Agents Assuming Loss

NEW YORK, April 5.—Company officials regard with apprehension any assumption of loss on account of Globe & Rutgers' policies by the local agent. Executives feel that very few agents have the resources to shoulder this burden without in some way or other using funds due other companies in the office. They feel that the agent is not a guarantor of the policies and that if the agents now establish a precedent of being guarantors that an unnavigable course is being set for the future, if there should be further failures. The companies want to know whose money the agents propose to give away.

In anticipating what might develop in future failures if the precedent is established of the agent assuming loss because of the Globe & Rutgers failure, executives point to the course that was pursued by many agents in the Union Indemnity crash as having induced agents to become guarantors of the Globe & Rutgers policies. When the Union Indemnity failed, many agents were quick to assume the loss. Now comes a failure of far greater magnitude and undoubtedly many Globe & Rutgers agents felt obligated to shoulder the burden because of what was done in the Union Indemnity failure.

Commissions Are Waived

Although in violation of the law and local board rules, many agents are waiving commissions on policies rewritten for assureds who were carried in the Globe & Rutgers. Some agents not only are waiving commissions now, but have told their assureds that they will continue to waive commissions in the future until such commissions equal the amount of the unearned premium, which the assured has lost by reason of the failure of the Globe & Rutgers.

If an agent or broker has displayed due diligence in selecting the company with which he places the business of a client, and later the company fails, no responsibility, either legal or moral, rests upon him to replace the indemnity at his own expense, according to majority opinion in New York. On the surface the 1932 statement of the company was acceptable.

May Be Morally Bound

If, by virtue of receiving excess commissions or other valuable consideration an agent placed business with a company that under other conditions he would not be likely to patronize, then he is held to be morally bound to protect his client through securing new cover elsewhere at his own cost, unless, the client was aware of the peculiar circumstances surrounding the transaction and consented to it.

Many of the Globe & Rutgers agents in the smaller and medium sized cities particularly felt that it was imperative for them to make good the loss of unearned premiums to their clients if they expect to stay in the business.

WEST VIRGINIA TAKES ACTION

CHARLESTON, W. VA., April 5.—A drive to enforce the law prohibiting

agents from rewriting policies after companies have failed, without collecting new premiums from policyholders, has been announced by Harlan Justice, deputy commissioner.

This is a violation of the rebate law, he said, and agents of the department expect to prosecute all such cases. Agents are subject to revocation of their licenses and policyholders, if they know of the act, may be fined.

The action was taken, Mr. Justice said, as a protection to the agents themselves, because the payment of the extra premiums represents a heavy drain on their funds.

WARNING IN KANSAS

TOPEKA, KAN., April 5.—Commissioner Hobbs is sending notices to companies directing them to advise their agents not to assume the unearned premiums on insurance written in failed companies, on the ground that such action would be a violation of the anti-discrimination law and subject the agents to prosecution for rebating and a cancellation of license.

The taking over of the Globe & Rutgers and the efforts of agents of other companies to get its business was the cause of the notice. However, an order of this kind had been contemplated because of alleged rebates of unearned premiums on compensation written in companies which failed in the last few months. Some agents of casualty companies were believed to be offering to take some of the business written in these failed companies on the basis of an assumption of the unearned premiums.

Scramble for Business

There is a scramble among agents for the Globe & Rutgers' business and where the premium was of a reasonable amount the agents are said to offer to allow credit for the unearned premium. The anti-discrimination law is quite specific in its prohibition against rebating and the department believes the assumption of the unearned premium is rebating. It may be punished as a criminal offense and also by the cancellation of license.

REWRITING IN VIRGINIA

Many agents of the Globe & Rutgers in Virginia have been rewriting its business pro rata for the unexpired term and the business so rewritten has been cleared through the Virginia rating bureau. Others have been effecting temporary binders. The company had a 75 percent loss ratio in Virginia last year.

SITUATION IN MISSISSIPPI

JACKSON, MISS., April 5.—Several Mississippi agents of the Globe & Rutgers say that assureds are taking the position that the agents are agents of the assured and not of the company, and that consequently the agents are responsible to the assureds for the return of unearned premiums. The agents do not take this view. If any assured follows

State of Pa. Lines in G. & R. Replaced

Deal with American of Newark Apparently Clears Philadelphia Company

REINSURANCE ARRANGED

New Jersey Company Takes Over the 50 Percent Liability Carried in the Globe & Rutgers

The business of the State of Pennsylvania which was reinsured in the Globe & Rutgers has now been reinsured in the American of Newark, thus apparently putting the State of Pennsylvania in the clear.

At the end of 1932, premiums in force on business reinsured by the Globe & Rutgers amounted to \$2,812,341, of which amount 50 percent were unearned. What commission the American of Newark paid the State of Pennsylvania for the business reinsured was not announced, but the assumption is that this was a liberal figure and that a considerable proportion of the unearned premium is being subtracted in paying the American for the reinsurance.

Arrangement Is Explained

Under the reinsurance arrangement, the American of Newark assumes 50 percent of the unearned premium liability of the State of Pennsylvania and the State of Pennsylvania retains the other 50 percent. Under the former arrangement, the Globe & Rutgers reinsured 50 percent of the State of Pennsylvania liability while the State of Pennsylvania retained the other 50 percent. If this arrangement places the State of Pennsylvania in an uncompromising position, as the business assumes it does, it will be gratifying to insurance men generally. The State of Pennsylvania has been conservative in its operations and has been managed at Philadelphia independently of the Globe & Rutgers.

The following telegram was sent to agents last week by the Insurance Company of the State of Pennsylvania before the deal with the American was perfected:

Might Correct Situation

"Situation remains as Best's unsolicited bulletin March 25 represented it. If Globe's majority holding of our stock can be dislodged for sale, may correct all troubles. Shall be prepared to meet all legal demands of those who will display neither faith nor reasonable patience."

The advice of the insurance commissioner and reinsurance his property in other companies, or even if he allows the policy to run to expiration and in the meantime sustains a loss which is not paid in full, the agents hold that they are in no wise responsible.

American Management Group to Meet Soon in New York

HOLD SESSIONS MAY 15-16

Round Table on Papers Covering Insurance Security, Fluctuating Values, Compensation and Claims

NEW YORK, April 5.—P. D. Betterley, assistant treasurer, Graton & Knight, Worcester, Mass., who is vice-president in charge of the insurance division of the American Management Association, announces that the annual insurance conference will be held at the Hotel Pennsylvania, New York City, May 15-16.

Representatives of insurance companies and those who are responsible for purchasing all types of insurance for large corporations will travel from all sections to attend and discuss insurance problems from both buyers' and sellers' viewpoints. Representative buyers of insurance will present papers to serve as a background for round table discussion on the following topics:

"Insurance Security in a World of Changes," "Insurance for Fluctuating Values," "Workmen's Compensation Insurance," "Settlement of Losses Without Controversy."

Seismologist Talks to Blue Goose on Earthquake Risks

ST. LOUIS, April 5.—Rev. Father James B. Macelwane, dean of the St. Louis University grade school, and internationally recognized as an authority on seismology, spoke before the St. Louis Blue Goose Monday on earthquakes and earthquake insurance.

"Insurance companies writing earthquake insurance have been more or less shooting in the dark," he said. "Predictability of earthquakes is very uncertain, and at best can be confined only to long periods of time and in a general section. The real risk assumed by an insurance company is not definitely known in any particular locality. Although earth strains may be revealed by scientific investigation, the stage of progress and intensity cannot be definitely established."

He predicted that the insurance companies will abandon the present haphazard method of rating and distribution of earthquake risks, and that through cooperation with seismologists, geologists and engineers the business can and will be placed on a more logical basis.

Tennessee Agents Meet to Consider Legislative Matters

The legislative committee of the Tennessee Association of Insurance Agents held an all-day session in which a subcommittee was appointed to draft several bills. Early adjournment of the legislature proposed as an economy measure may prevent proper consideration of all the matters which the association has projected. Committee members attending the meeting were C. B. H. Loenthal, Nashville; Gilbert Schloss, Memphis, and C. P. Edwards, Jr., Kingsport. Acting with the committee were President B. C. Gross of the association; George Caldwell, Knoxville; J. W. Oliphant, H. S. Sloan and W. H. Trotter, Jr., of Chattanooga. The subcommittee is Mr. Loenthal and L. M. Ross, Gallatin.

Baltimore Branch Opened

The Atlantic Mutual, the well known marine company, has opened a branch office in Baltimore under Arthur Bennett. The branch is located in Canton House at South and Water streets. Mr. Bennett has been with the Atlantic Mutual at the head office for about 18 years.

Made President



S. M. BUCK

S. M. Buck of Chicago, who presides over the Fireman's Fund western department, has been elected president of the Underwriters Service Association of that city. He succeeds J. H. Macfarlane of the America Fore, who has served most acceptably the past two years.

R. F. C. Loans to Insurers in February Are Announced

WASHINGTON, D. C., April 5.—Eleven loans totaling \$1,236,500 were made to insurance companies during February by the Reconstruction Finance Corporation, it is disclosed by the monthly report filed with Congress by the organization.

Funds provided in two of the loans, \$65,000 to the Rockford Life of Illinois, and \$20,000 to the Security Mortgage & Title Company, Passaic, N. J., had not been taken up to March 28, it was stated.

Two companies secured two loans each during the month, the National Life, U. S. A., securing advances of \$144,000 and \$127,500, and the Consolidated Indemnity securing two advances of \$75,000 each, it was reported.

The other loans made during the month were \$400,000 to the American Life, Detroit; \$10,000 to the Detroit Life; \$100,000 to the Midwest Life, Lincoln, Neb., and \$200,000 to the National Standard Life of Texas.

Preferred Stock Purchase Bill Is Expected to Pass

FLETCHER MEASURE FAVERED

R. F. C. Would Be Permitted to Aid Insurance Companies of All Kinds in New Fashion

WASHINGTON, April 5.—Relief of insurance companies "in need of funds for capital purposes, either in connection with the organization of such company or otherwise," through purchase by the Reconstruction Finance Corporation of preferred stock, bonds or debentures of such companies, is provided for in a bill introduced in Congress by Senator Fletcher of Florida, chairman of the senate committee on banking and currency.

The bill was made the subject of a favorable report by the committee, and will be immediately pressed for passage, with the possibility that it may go to the President for approval by April 10.

The relief machinery set up under the bill is to continue in operation during the continuance of the existing emergency or until the measure is declared inoperative by a proclamation of the President.

Provisions of Measure

"Notwithstanding any other provision of any other law," if, in the opinion of the Secretary of the Treasury, any insurance company is in need of capital funds, he may, with the approval of the President, request the Reconstruction Finance Corporation to subscribe for preferred stock of any class, exempt from assessment or additional liability, in such insurance company, or to make loans secured by such stock as collateral.

In the case of insurance companies which may be incorporated in states which do not permit the issuance of preferred stock exempt from assessment or additional liability, or with laws which permit the issuance of such stock only by unanimous consent of stock holders, or upon notice of more than 20 days, the Reconstruction Finance Corporation may accept the legally issued notes, bonds or debentures of such company, which may be subordinated in whole or in part to any degree to claims of other creditors.

The term "insurance company" is defined in the bill as including "any corporation engaged in the business of insurance, irrespective of the nature thereof.

(CONTINUED ON PAGE 21)

Demand for Immediate Gold Inflation Urged

A financial executive who is a student of money, business trends and economics, contributes some views to THE NATIONAL UNDERWRITER on gold inflation. He says:

"Insurance companies and all creditors should join in a demand for immediate gold inflation. Half measures mean successive bankruptcy of creditors with real help to none. Gold inflation would automatically scale all debts to the capacity of debtors to pay."

"The government may be holding gold inflation for bargaining with European countries, but home needs are greater. Gold inflation amounts to reduction of the war debts. If it is intended, let it be given without further bargaining."

"Business cannot recover while there is uncertainty. Prices cannot rise and financial institutions cannot cure their troubles while the country is doubtful about what is going to happen. Gold inflation is an immediate cure, and furthermore, it has no aftermath of uncertainty, which paralyzes all remedies. Gold inflation should come at once."

New Hampshire Fire Takes Over Petersburg of Virginia

The New Hampshire Fire has reinsurance all the outstanding liability of the Petersburg (Fire) of Petersburg, Va. This company had outstanding liability of \$19,408,939 as of Dec. 31, 1932. Net premium income for the year totaled \$234,182. At the close of the year it had total admitted assets of \$680,134. It had been operating as a separate corporation 15 years. Previously it was a part of the Petersburg Savings & Insurance Company, which was organized in 1860 to do a banking and insurance business. In 1918 it was decided to divorce the insurance from the banking business. At the same time, however, the bank retained control of the insurance company. It also owned a local agency operated under the same name as that of the insurance company. This agency was not involved in the reinsurance contract and it is planned to continue its operation as formerly. The insurance company, for the time being at least, will retain its identity.

The bank failed to reopen after the recent banking holiday and remained closed this week, but hopes were held out that it might soon be able to resume business on a normal basis. The insurance company operated in Virginia, Maryland, Pennsylvania and North Carolina, but did most of its business in Virginia.

Managers at Field Meet

A number of western department managers attended a meeting of the Ohio Fire Underwriters' Association at Columbus Monday for discussion of the new balance rule and other questions of current importance in Ohio.

Writes Automobile Insurance

The Universal of Newark is now offering automobile fire and theft insurance direct to brokers in Chicago. Heretofore it has confined its writings to agents. F. S. Bowen, automobile secretary from the head office, visited Chicago and discussed various expansion plans.

Claude Hansen Is Dead

Claude Hansen, a member of the brokerage department of the Chicago metropolitan department of the North British & Mercantile died of a streptococcus infection following extraction of a large number of teeth.

THE WEEK IN INSURANCE

The unearned premium of the **State of Pennsylvania**, which has been reinsured in the **Globe & Rutgers**, is now taken over by the American of Newark. **Page 3**

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Special **Globe & Rutgers** committee confers with Superintendent Van Schaick on future of company. **Page 3**

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Assumption of loss of unearned premiums in connection with **Globe & Rutgers** policies by agents causes apprehension among company men. **Page 3**

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The Fletcher bill, supported by the federal administration at Washington, whereby \$100,000,000 of Reconstruction Finance Corporation bonds will be at the disposal of **insurance companies in need of increased capital** for reorganization, is likely to pass Congress in the near future. **Page 4**

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Special meeting of the **National Convention of Insurance Commissioners** will be held in Chicago Friday and Saturday of this week. **Page 5**

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Executive committee of the **National Board** recommends that members refuse to pay cigarette search claims. **Page 5**

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Brooklyn risks in bad areas are being canceled on wide scale because of large number of suspicious fires. **Page 6**

The annual insurance conference of the **American Management Association** will be held at the Hotel Pennsylvania, New York City, May 15-16. **Page 4**

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Oklahoma bill passed authorizing state to write **workmen's compensation**. Governor's signature required. **Page 28**

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Simplified compensation rating system advocated by Wade Fetzer. **Page 23**

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Michigan department places custodian in charge of **Central West Casualty of Detroit**. **Page 23**

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Occupational plan of automobile rating may become more general. **Page 24**

* * *

Sharp rate advance on automobile public liability in Arkansas, Mississippi, Montana and South Dakota due to heavy losses. **Page 25**

* * *

Los Angeles Exchange seeks to end commission variations and reduction on automobile fleet risks; circulates resolution for signatures. **Page 24**

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Machinery of Reconstruction Finance Corporation is put in motion to relieve surety companies of much of the burden on account of their **mortgage guarantee liability**. **Page 23**

National Board Hits Snag in Advertising Campaign

CITY OFFICIALS IN PROTEST

Citizens Urged to Oppose Tax Increases, but Improvements Demanded for Rate Credit Require More Money

The National Board has encountered an angle in its advertising campaign which evidently was not foreseen when that campaign was started. Its advertising has been centered about the idea that citizens should protest against any increase in taxes. Favorable comment has been received from readers of the magazines in which the advertisement has appeared.

Now, however, municipal officials of the country are pointing out that the National Board sends its engineers about recommending increases in expenditures for fire department operations and fire protection work, that the various rating bureaus require the expenditure of these sums before rate credit can be granted to the municipalities, while at the same time the fire companies through the National Board are doing everything they can to thwart the city officials in obtaining the improvements recommended by the engineers.

Because of this relationship between the fire companies and municipalities, municipal officials and particularly city managers are very much exercised about the entire fire insurance rating setup. They maintain that it is inconsistent for the fire companies on the one hand to call upon them to make large expenditures of money before rate credits will be granted, while on the other hand they are asking the citizens, from whom the city officers must obtain the funds to make improvements, to protest against any increase in taxes. It is believed that city officials will take some organized action on the whole subject of fire insurance rates and the attitude of the National Board unless some understanding is reached between the organizations.

Expect Hail Premium Decrease

WICHITA, KANS., April 5.—Indications are that hail premiums for the Kansas wheat crop will be the lowest in 15 years. It is reported that present prospects point to a crop of about half of the 1932 crop. Conditions are said to be worse than in 1917 when a low output of 40,000,000 bushels was made. Many more acres are now devoted to the crop, but dry weather throughout the western half of the state during the fall and winter, coupled with numerous severe dust storms have resulted in much of the acreage being abandoned. Winter killing has been more severe than normal due to sub-zero weather in January and February, when the crop was not protected with snow. The cut-worm is causing considerable damage in the south central part of the state. Throughout the wheat areas prospects are from 50 percent of a crop to a complete failure at this time, according to authorities.

Is Stamp a Rebate?

LANSING, MICH., April 5.—Use of scrip and "trade money" in various forms has recently brought an unusual query to the insurance department. Agents are writing in to learn if acceptance of such paper, some of which diminishes in value or is discounted because of the requirement that a stamp costing a small amount be attached at each transaction, constitutes a rebate under the insurance law. Department officials have informally advised agents that the rebating law is not likely to be enforced against acceptance of such currency substitutes in the present emergency, even if a technical violation were involved.

Denial of Cigarette Claims Is Urged by National Board

A communication from Manager W. E. Mallalieu of the National Board reports that the executive committee of the National Board has recommended that all members refuse to pay cigarette soot claims.

The letter states that increased carelessness with lighted cigarettes is resulting in an excessive number of claims against fire companies. For the most part, no actual fire results within the meaning of the fire contract. The executive committee of the National Board believes that the time has arrived when the companies should instruct their representatives to refuse recognition of such claims on the ground that such payment constitutes a gratuity that is neither justified nor compatible with the provisions of the fire contract.

Opinion Is Sought

Mr. Mallalieu asks for an expression of opinion from members as to whether they are in accord with this action and whether they will further its adoption.

The stand taken by one of the powerful group offices of New York in flatly refusing to recognize cigarette claims as reported in THE NATIONAL UNDERWRITER was probably the immediate cause for adoption of this resolution by the National Board.

Although complaint had been voiced in virtually all company offices for several years as to the mounting number of claims filed for damage to rugs, tapestries and furniture scorched by cigarettes and cigars, a firm stand against recognizing such losses was not taken until early last February, when one

prominent group boldly announced its position. Conversations by its officials with executives of other companies revealed a decided sympathy with the move and the agitation culminated last week in adoption of the National Board's resolution.

A clause appearing in a fire policy used in France, which excludes liability for damage to property purposely exposed to the action of fire, is being cited by one executive who is a leader in the agitation against payment of cigarette claims. The clause reads as follows:

"The insurer shall only be responsible for loss by fire when such loss is caused by a definite outbreak of fire. In particular, the insurer is not held liable for damage by a fire to property insured purposely exposed to the action of such fire. The following is, therefore, excluded from the insurance: Damage to linen, clothing and carpets arising from excess of heat without combustion or from accident through smoker's carelessness; damage due to contact with or approach to heat or lighting apparatus; total or partial destruction of objects fallen or thrown by accident into a fire."

Sentiment is stronger for inserting in policies in this country some clause or endorsement touching cigarette losses. Something is wanted that can be pointed to for propaganda purposes. The fact that cigarette claims are paid has been broadcast from bridge table to bridge table throughout the country. The fact that a clause denying such liability exists, would travel the same route, many executives believe.

More Even Division of Risk Among Companies Predicted

One consequence of the Globe & Rutgers crash is likely to be a tendency on the part of agents to avoid placing an undue amount of business in any one company. Risks are likely to be distributed more evenly among the companies in an agency. In some large agencies throughout the country, the Globe & Rutgers was the featured company and received a majority of the business from those agencies. Those agencies would not have been nearly so embarrassed had the Globe & Rutgers received only a proportionate share of the business. As it was, where a preponderance of the agent's business was in the Globe & Rutgers, an unpleasant relation has been created with nearly all of that agent's clients.

May Prefer Diversification

While there is no other fire insurance company, whose condition is acute at the present, agents are likely to play safe, at least for the time being, and distribute their business more evenly. If this tendency develops extensively, it is likely to check the practice, which has been prevalent for the last three years, of agents cutting down the number of companies in their offices. A diversification of liability as to companies may come to be regarded as more desirable now, and the agent may feel that he can handle more companies.

Fleet Improperly Written

LOUISVILLE, April 5.—G. K. Chapman, solicitor for the First Kentucky Fire, has been suspended for 90 days by the insurance commissioner due to improperly writing the truck fleet of the John G. Epping Bottling Works of Louisville, which has branches at Lexington and Campbellsville, Ky. It was charged that the location of the trucks was improperly reported in order to secure the lower rate for the smaller cities.

Insurance Commissioners to Hold a Special Meeting

TALK OVER LIFE MORATORIUM

Clark of Iowa and Gough of New Jersey Appointed on Executive Committee

A special meeting of the Insurance Commissioners' Convention will be held Friday and Saturday of this week at the Palmer House in Chicago. The call was issued by Commissioner G. W. Brown of Minnesota, who is president of the organization. This will enable the commissioners to announce two new members on the executive committee, Superintendent Van Schaick, being a member, who was recently elected second vice-president, and Commissioner Kidd, who has retired from office, being also a member.

Commissioner E. W. Clark of Iowa and Deputy C. J. Gough of New Jersey are elected members of the executive committee to fill these two vacancies.

The commissioners at their meeting will discuss chiefly the life insurance moratorium rulings of the various states and endeavor to get some of the conflicting issues harmonized. There are a number of questions arising at head offices owing to the divergence of the rulings.

Commissioners to Be Present

Among the commissioners who have signified their intention to be present are Brown, Minnesota; Thompson, Missouri; Read, Oklahoma; Sims, West Virginia; Van Schaick, New York; Daniel, Texas; Tobin, Tennessee; Sullivan, Washington; Clark, Iowa; Thulemeyer, Wyoming; Olsness, North Dakota; Mortensen, Wisconsin; Holmes, Montana; Gough, New Jersey; Walsh, Maryland; Dunham, Connecticut; Palmer, Illinois.

May Retain Mitchell a Year

SAN FRANCISCO, April 5.—In a statement Governor Rolph is quoted as saying that he has taken under advisement the retention of E. F. Mitchell as insurance commissioner until April, 1934. Mitchell's term expires April 24 this year and the governor had stated previously he would not re-appoint the incumbent who was appointed by C. C. Young, Gov. Rolph's predecessor.

Michigan Still Paralyzed

LANSING, MICH., April 5.—Michigan agents and insurance men, struggling against probably the most acute adverse conditions existing anywhere in the country at this time, are complaining somewhat of a lack of understanding outside the state of the actual situation faced here. Where raising of bank moratorium restrictions elsewhere resulted in many cases in an almost instant resumption of normal business activities, Michigan has witnessed a spectacle of continued financial paralysis due to the fact that conservators have been named for banks and trust companies in which are impounded more than half of the total deposits of the entire state. The result, of course, has been that few agencies have found any improvement in collections and the majority are actually finding it more difficult to get in premium payments than during the preceding six weeks of state and national moratorium restrictions.

Brokers Against Gossiping

The Insurance Brokers Association of New York urged members to refrain from gossiping about the alleged condition of various insurance companies. Such reports, it is said, are in the main wholly unwarranted and are calculated to do irreparable harm to worthy institutions as well as unsettling confidence of assureds in the business generally.

141st YEAR

Insurance Company of North America

PHILADELPHIA

Financial Statement as of December 31, 1932

CAPITAL
\$12,000,000

ASSETS
\$72,042,833

LIABILITIES
\$31,367,942

SURPLUS TO POLICYHOLDERS
\$40,674,891

Net Losses Paid Since Organization \$393,019,596

Had we used the values authorized by the National Convention of Insurance Commissioners, our surplus to policyholders would have been \$53,988,426.

The "North America" Companies write practically every form of insurance —except Life.

Brooklyn Risks Are Being Cancelled on Wide Scale

CERTAIN AREAS BLACKLISTED

Companies Act Following Report of New York Board Report on Suspicious Fires

NEW YORK, April 5.—Widespread cancellation of risks is being effected in certain sections of Brooklyn, in which a large number of suspicious fires have occurred, as shown on a map prepared by the committee on losses and adjustments of the New York Board. Moral hazard has been acute in Brooklyn, although the recent action of the companies in deferring settlement of losses for 60 days has apparently brought some improvement. Some of the companies, in canceling liability, have gone further than the recommendations of the New York Board committee. Suspicious fires have occurred in abnormal numbers on property of certain nationalities and these risks in the bad areas especially are being proscribed.

Committee Preparing File

The loss committee of the New York Board is now collating information on losses in the metropolitan district, giving the name of the assured, broker and public adjuster, with the idea of building a file from which the bad actors may be singled out.

One company that is canceling on a scale more widespread even than in the territory blacklisted by the New York Board, has ordered widespread cancellation in the following streets: East 80th-89th street (house numbers 500 to end); Remsen avenue (house numbers 800 to end); East 91st street to East 108th street (house numbers 800 to end); Rockaway Parkway (house number 800 to end); Rockaway avenue (house numbers 1100 to end); on the following thoroughfares, from house numbers 800 to end: Foster avenue, Farragut, Glenwood, Flatlands, and Avenues J, K, L, M and N; all house numbers on Bakers Lane, Conklin, Seaview, Stanley, Wortman, Cozine, Fairfield, Van Dulin, Collins, Skidmore, Denton, Denowitz, Paerdegat, Bayview, Seaside, Nolans Lane, Carnarsie Road, Turnbull avenue, Matthews Place, Shenck Place, Mills Place, Stillwell Lane and Flatlands.

The loss situation in Brooklyn, which has given companies concern for several years past, was animatedly discussed at the meeting of the New York Board. The conditions over which companies are properly exercised will be corrected. It is reported there are 900 broker-adjusters in Brooklyn, who in conjunction with a number of public adjusters have been fattening at the expense of the companies. Offices that had refused to be gouged in loss settlements and have placed their adjustments in proper hands have seen their premium income from the borough fall off steadily. Through arrangements with tipsters certain public adjusters are advised of a fire as soon as it occurs and tie up the assured for its handling.

By taking an adjuster's as well as a broker's license the middlemen are enabled to collect a fee from the assured or the public adjuster, which otherwise they would be prevented from accepting.

Balances Were Withheld

Immediately after the *Globe & Rutgers* crash, when there was much nervousness in the field, a number of agents throughout the country who had funds to meet balances withheld payment. They took the position that if there was going to be a general collapse of insurance companies, they wanted to have some protection. However, after a few days, when the excitement died down, these remittances were made in regular course.

J. W. Weddell to Western Factory in Cleveland Area



JOHN W. WEDDELL

John W. Weddell, who has been Indiana special agent for the Underwriters Service Association since the war, has resigned to become special representative of the Western Factory Association in the Cleveland territory, effective April 15. He succeeds Harry L. Grider, who was transferred to the home office of the Factory Association as assistant manager, and was Mr. Grider's selection for the place. Mr. Weddell before the war took a regular course of training for sprinklered risk work, serving successively as an apprentice with Grinnell Sprinkler Company, with the sprinklered risk department of the Chicago Board, with the similar department of the Wisconsin Inspection Bureau and then spending a year and a half with the Underwriters Laboratories for technical training. His war service was in Italy, and he is believed to be the only insurance man who was awarded the Italian War Cross.

Mr. Weddell is a son of Thomas Rockefeller Weddell, Chicago editorial representative of the "Insurance Field" and editor of the "Insurance Post."

Philip J. Sexton, who has been stationed at Columbus, O., for the Underwriters Service Association in charge of southern Ohio and Tennessee, is being transferred to Indianapolis to take the place of Mr. Weddell. Mr. Sexton has been with the Underwriters Service for about seven years. Previously he was associated with the Automatic Sprinkler Company of America.

Sales Tax and Insurance

Attorney General Kerner of Illinois has informed Superintendent Palmer that the new Illinois 3 percent sales tax does not apply to insurance, the tax only being imposed on tangible personal property.

Des Moines' Notable Loss Record

DES MOINES, April 5.—Des Moines, with \$205,213 fire loss in 1932 and \$214,723 in 1931, has set a two-year record unequaled by any similar period in 30 years. Combined fire loss for the two years was \$65,709 below the average annual fire loss of \$485,645 for the decade ending in 1930 and \$300,000 under the one-year loss here in 1930.

INSURANCE EXECUTIVE

now employed desires to make change. Capable Fire and Casualty Accountant and Automobile underwriter. Agency, Home Office and Insurance Department experience.

Salary secondary to harmonious environment and future opportunity. Chicago only. Address X-34, The National Underwriter.

AS SEEN FROM CHICAGO

TO SEPARATE DEPARTMENTS

Chairman Fitzgerald of the Illinois house insurance committee has introduced a bill at the request of the administration creating a separate insurance department and divorcing it from the director of trade and commerce. This would create the director of insurance. The bill was prepared by Ernest Palmer, Illinois insurance superintendent. It is Bill 631 in the house. The insurance committee of the Illinois chamber of commerce first advocated the separation of the two offices and has been aggressive in promoting this movement.

* * *

AGENT NOT OBLIGATED

The following communication has been sent by the Chicago Board to its class I members:

"The board of directors of the Chicago Board of Underwriters for the guidance of its members and for the information of the insuring public declares the following principles and sets forth the following regulations:

"The policy of insurance is a contract exclusively between the insurer and the insured. The broker and the agent are merely intermediaries between the two contracting parties. Therefore, there is in fact no responsibility in law or in equity on behalf of the agent or broker for the continuing solvency of any insurer. The entire obligation rests upon the insurer, and

"Whereas, the assumption of any responsibility on behalf of any member inevitably affects the interests of other members, the board of directors declares that such an assumption is a violation of principle and a valuable consideration for business contrary to the standards and rules and regulations of the board. No member is warranted in assuming any responsibility or obligation for the payment of any premium, return premium or other obligation due from any insurer in the hands of a conservator, receiver or otherwise in suspension."

* * *

TUTTLE BEFORE FIELD MEN

C. R. Tuttle, western manager of the North America, is scheduled to address the Cook County Field Club at its next meeting, April 17, on "The Field Man's Opportunity in 1933."

* * *

ALLAN WOLFF'S PROPOSAL

A suggestion that is not new, but that has been advanced rather vigorously for a month or two by Allan I. Wolff of Chicago, chairman of the executive committee of the National Association of Insurance Agents, is receiving considerable attention because of the Globe & Rutgers crash. The suggestion is that the various states enact legislation requiring premium reserves to be set up as actual, special funded reserves to be invested only in securities eligible for trust fund investments.

In the past, bills to encompass this purpose, some of them applying to capital stock as well, have been introduced in various states. Some of them were defeated at the instance of investment people.

If premium reserve was kept intact and segregated, a company might at any time reinsure no matter what happened to the rest of its structure. Mr. Wolff recognizes that such a requirement might be regarded as discrimination in favor of policyholders as against loss claimants, but in fire companies especially, he said, where the loss reserve is not large ordinarily, discrimination would not be important. A somewhat different situation prevails in the casualty business, however, where there is so much deferred and estimated liability. It would be impracticable to require that loss reserves be invested in trust fund securities and segregated, because the element of judgment enters so largely

into the setting up of loss reserve. However, Mr. Wolff feels that the insurance commissioners could exercise greater influence not only to see that loss reserves are set up on an adequate basis but that loss reserve funds be more conservatively invested.

If premium reserves were thus invested, there would always be salvage in that account if reinsurance were effected, because of the commission that

would be paid by the reinsuring company for the business. Funds thus released might be used either to satisfy loss claimants or if losses were settled out of the other funds and a residue remains, there might be something for the stockholders.

* * *

GOOD REASON IS GIVEN

One agent states that he has had a very good excuse in explaining the 60-day loss payment practice of companies by telling claimants that so many people do not pay their premiums until 60 days and even after a longer period, companies can no longer pay claims imme-

dately. He says that he finds this explanation is taken as logical and his customers are satisfied.

LEAVE FOR W. U. A. MEETING

The Chicago and western contingent of the Western Underwriters Association will leave Saturday at 1:30 p. m. over the Big Four for White Sulphur Springs, Va., going via Cincinnati. The meeting proper will start Tuesday but there will be important meetings of committees on Monday. The return trip will be via Toledo, the train arriving in Chicago Thursday noon. W. D. Williams of Rockford, Ill., manager of the Se-

Company Statements

There is no reason why agents should think of all insurance companies in the same light...

If insurance agents will become "statement minded" it will be a fine thing for the business.

Agents should prepare themselves to discuss the stability of the companies they represent and this can be done only when they train themselves to understand the operation of an insurance company and the various items which comprise a financial statement. ("The Local Agent," Feb., 1933.)

Analyzing the Figures

It will not be long before the statements of the insurance companies of the United States will be published. Those writing insurance should equip themselves with the knowledge of how to thoroughly understand a balance sheet. Herein lies the answer as to whether the company is sound. Large, glowing figures do not necessarily indicate strength. Analysis of what the figures mean is what counts. ("The Insurance Journal," Feb., 1933.)

Selection of Companies

For their own sakes, as well as for the interests of their clients, Local Agents must use extreme care in selection of companies.

Annual statements are now being issued.

They should be carefully studied and analyzed.

Excellent companies are available. To select representation of one of them is mighty good business for both the agent and those to whom the agent sells policies.

Foresight is a lot better and more profitable than hindsight. ("N. W. Insurance," Jan., 1933).

Companies Are Being Studied

Agents are scrutinizing far more carefully than they have been in years gone by, not only the financial statements of casualty companies but the character, experience and moral fibre of the management. They want to get at the dominating factor or factors in the company and put them to the acid test.

Agents and brokers that took the companies' statements for granted in days gone by are now bringing out the searchlight. They are seeking information from those who know.

Companies of undoubted financial strength and management are having no difficulty in getting agents. Many agents representing companies in the doubtful class are seeking to strengthen their position by getting a better grade if possible.

The intelligence, conservatism and sagacity of a management are prime requisites these days.

("National Underwriter," Feb., 1933).

The Mercantile Insurance Company of America
150 William St., New York

curity, will preside and will undoubtedly be reelected to office, as he is completing his first term.

* * *
SALVAGE PLAN DEFERRED

The deal whereby member companies of the National Automobile Underwriters Association were to have made arrangements with an independent concern to salvage insured automobiles has been sidetracked temporarily. Opposition developed on the part of automobile dealers, with whom the insurance companies are cooperating in various directions.

* * *
DOYLE IN CHARGE OF ACCOUNTS

F. H. Doyle, formerly cashier in the Chicago branch office of the Automobile and Standard Fire of Hartford, has been appointed superintendent of accounts in charge of all casualty, fire and marine lines for the Aetna Casualty & Surety, Automobile and Standard. Mr. Doyle went to Chicago from the home office of the Aetna in 1928. He is making his

office in the Chicago branch of the Aetna.

* * *

Emmanuel J. Salek, chief clerk in the Rollo, Webster & Co. agency of Chicago, died of heart failure at the age of 61. He was an old timer in the business, having started with I. J. Lewis & Co. In 1886 he joined O. W. Barrett & Co., remaining through various changes until H. J. Ullman & Co. was formed, when he joined that concern. He was later connected with C. A. Newton & Co. and in 1911, when the Newton agency merged for a time with Rollo, Webster & Co., he went to the latter office and remained there until his death.

Maintains Louisville Office

LOUISVILLE, April 5.—Commissioner G. B. Senff of Kentucky has announced that hereafter he will spend one day each week in Louisville, planning to come down from Frankfort every Tuesday, in order to contact Louisville insurance men. The commissioner has a branch office in the Kentucky Home Life building.

A Thousand Agents Can't Be Wrong!

In our recent survey of a thousand agencies a predominant number gave this as their reason for selecting companies to represent: **Good Loss-paying Record**.

The London Assurance paid \$7,600,000 gross losses in the San Francisco disaster—an amount greater than has ever been paid in one catastrophe by a company operating under one name. This record stands without parallel in the history of insurance. These losses were paid out of special funds provided by the Home Office in London. The assets in the United States were not drawn upon.

But that's only one incident in the long life of an honorable corporation. We're proud of it, certainly. But we of the London Assurance take such things for granted. Every day we see about us examples of that same honesty, that same straight-forward integrity that characterizes the activities of the Corporation all over the world. Looking back over ten score and thirteen years of such methods of doing business you, too, can be sure that this company always has, and always will enjoy a **Good Loss-paying Record**.

And it is hardly necessary to point out that our affiliated companies headed by the same American executives, operated by the same American staffs, subscribe to the same code of fair dealing.

The
LONDON ASSURANCE
The
MANHATTAN
Fire and Marine Insurance Company
The
UNION FIRE,
Accident and General Insurance Company
ONE-FIFTY WILLIAM STREET

FREE BOOKLETS!

Send for one or more of these free educational booklets on agency practice. They are published by this international group of insurance companies in the hope that they will help American Agents to sell more insurance and to better know their business. Just complete this coupon and send it in, now. No obligation, of course.

EVERETT W. NOURSE, United States Manager and President
One-Fifty William Street, New York

Dear Sir:

I'd like to have the booklets checked below.

— The Insurance Survey, A Selling Tool	— Fire Prevention and the Insurance Agent
— Credit and Collections	— Facts about a Thousand Insurance Agencies
— Proper Records	
— Prospect and Mailing Lists	

Name _____

Street _____

City _____

State _____

NU2

office in the Chicago branch of the Aetna.

CHANGES IN THE FIELD

Thompson Goes to Portland

Leaves Denver General Agency to Re-join North British & Mercantile on Pacific Coast

Thomas B. Thompson of Denver, treasurer of the Braerton, Simonton, Brown general agency for the past three years, has resigned that position to return to field work with the North British & Mercantile, with which he was formerly connected for years. He has been appointed state agent for Oregon with headquarters at Portland to succeed State Agent Smith, who is retiring.

Mr. Thompson began his insurance career in 1919 with the American Agency of Denver. He traveled Colorado, Wyoming and New Mexico two years as special agent of the U. S. Fidelity & Guaranty. He joined the North British in January, 1924, as special agent, traveling the mountain field, as well as Utah and southern Idaho. In December, 1928, he was transferred from Salt Lake City back to Denver as state agent to succeed T. S. Heath, deceased. Mr. Thompson is widely known as an expert on football subjects.

Fred A. Kiser

Fred A. Kiser, of Indianapolis, Indiana state agent for Corroon & Reynolds, is to also serve as state agent in Kentucky, combining the Kentucky and Indiana field for the present at least. George Hesse has been Kentucky state agent since last summer, going to Louisville from New York, where he had been with the Importers & Exporters, but has now returned to New York.

Earl A. Spink

Earl A. Spink, Ohio state agent for the Globe & Rutgers, has been appointed special agent in Ohio for the Crum & Forster group. He will make his headquarters with State Agent L. C. Dame and Special Agent M. F. Johnson at 406-8 Citizens building, Columbus.

Create Separate Department of Insurance in Nebraska

Governor Bryan signed the bill establishing a separate insurance department in Nebraska. Lee Herdman will continue as commissioner, with the official title of director of insurance, his formal appointment being expected shortly. The bill also carries a reduction in salary from \$4,000 a year to \$3,200, the same percentage of cut that is proposed for state and county officers in bills before the legislature.

A bill for separation of the insurance department in Illinois, prepared by Superintendent Palmer, has been introduced in the legislature of that state. Two states have taken steps in the opposite direction this year, bills for the merging of insurance with other departments having been passed in Indiana and Colorado.

May Ask Thompson's Resignation

ST. LOUIS, April 5.—J. B. Thompson, Missouri superintendent of insurance, probably will be asked to resign prior to the end of his term June 30. He is a Republican and under the provisions of a bill just passed by the Missouri general assembly the governor is given full power to remove any appointive officer "whenever in his opinion such removal is for the betterment of the public service." Robert E. O'Malley of Kansas City will be appointed as superintendent whenever Governor Park decides to make the change.

Carnes Is Ohio State Agent

Advanced by New Hampshire to Succeed Aaron Jones, Who Retired Because of Ill Health

Elmer F. Carnes has been appointed Ohio state agent for the New Hampshire to succeed Aaron Jones, who was compelled to retire because of ill health. Mr. Carnes has been operating in Ohio as state agent for the Granite State Fire, running mate of the New Hampshire, and was special agent assisting Mr. Jones for the New Hampshire.

H. N. Coldwell

H. N. Coldwell, special agent of the American National Fire of Columbus, O., covering northern Ohio, has been transferred to New York City to become special agent for the Great American group.

James A. Armstrong

James A. Armstrong is now located in Chicago for the National Union, as marine special agent for the middle west territory. He was formerly in the marine department at the head office. His new headquarters are in the National Union's Chicago office, A1932 Insurance Exchange. The company has not heretofore had a representative in this capacity in the middle west.

L. J. Fischer, R. J. Harmon

In addition to serving as Indiana state agents for the Home, Franklin, City of New York, Homestead and Georgia Home, as has been the case for some time past, L. J. Fischer and R. J. Harmon of Indianapolis now supervise the business in the territory of the New Brunswick, Harmonia and the Southern Fire, likewise members of the Home fleet. The interests of the last three named companies were looked after by State Agent R. L. DuBois prior to April 1, when he went with the North British & Mercantile fleet in the same field.

Philadelphia Premiums for Last Half of 1932 Reported

Net premiums collected in Philadelphia in the six months ending Dec. 31, 1932, as per returns filed with the Philadelphia Fire Insurance Patrol, amounted to \$3,438,023.

The leading companies were: Franklin \$307,267, North America \$300,801, National Liberty \$147,511, Pennsylvania \$127,894, Home \$104,242, Alliance \$82,189, Fire Association \$79,886, Royal \$59,899, Globe & Rutgers \$59,406, Detroit F. & M. \$59,203.

R. J. McGehee Resigns

DALLAS, TEX., April 5.—R. J. McGehee, who has been southwestern manager of THE NATIONAL UNDERWRITER for the past several years with headquarters at Dallas, has resigned.

Write Stamp Collections

Cravens, Dargan & Co., well known general agents at Houston, Tex., find considerable demand for insurance on stamp collections. A recent circular letter was sent out by the Michigan Fire & Marine calling attention to its facilities along this line. The rate is \$2.50 per \$100 subject to a minimum premium of \$15. Cravens, Dargan & Co. call attention to the fact that collections must be appraised by a reputable dealer or recognized authority. An appraisal must accompany the application, giving full details.

Late News from the Casualty Field

Subcommittee in Agreement on Uninsured Risk Plan

A meeting in Chicago of the committee headed by J. E. Callender, Ocean Accident, is being called this week, probably Thursday, to hear the recommendations of a subcommittee of four as to handling the uninsured risk problem in Illinois. The subcommittee—L. J. Kempf, Travelers, George Eaton, American Mutual Alliance, E. F. Bush, General Accident, W. S. Duncan, Illinois Manufacturers Mutual Casualty—reached an agreement Tuesday. The principles and details are being withheld until the report is submitted to the committee.

After the general committee has acted on the plan, it will be submitted to the companies and then to P. J. Angsten, chairman of the Illinois industrial commission, who instigated the study.

Illinois is an unregulated state and the plan will be on a voluntary basis. That raises difficulties but the leaders in Illinois are eager to launch a successful project under those conditions. The plan, undoubtedly, will either be designed around the pool idea or a system of designating companies to carry uninsured risks in rotation.

Mr. Callender's committee was created to study the state fund bill, occupation disease and other related questions, as well as uninsured risks.

Alabama, Georgia Public Officials Given Relief

Due largely to effective presentation of the situation by the Atlanta Casualty & Surety Association the Georgia legislature has passed a law exempting public bodies and officials from liability for loss of funds placed in designated banks and exempting tax collectors from liability for uncollected funds.

Similar legislation has been enacted in Alabama so far as tax collectors are concerned. A bill to the same end is pending in Pennsylvania, applicable however only to cities of the third class. The effect of the new legislation so far as Georgia and Alabama are concerned, will be to enable surety companies to write classes of bonds which heretofore have been taboo in those states.

Because of statutes in the New England states holding collectors responsible for all unpaid taxes many officials in the territory have been unable to qualify for office and an insistent demand for amendatory legislation is being made.

Insurance Prospects Cited by Aetna in Beer Revival

The Aetna Casualty has sent out a bulletin to agents, pointing out insurance opportunities now that beer is about to flow again.

Many business houses will be operating on a vastly increased scale, not only existing breweries, but also bottling works, cooperage works, trucking concerns, grain growers—especially hop growers—burlap bag factories, etc. Ice plants are prepared almost immediately to transform the plants into breweries.

Compensation and public liability lines should be reviewed, the Aetna states. Automobile liability and property damage needs will be increased. Truck cargo insurance will be needed. Products liability, riot and civil commotion, all forms of burglary, check forgery and fire insurance should be adjusted to meet new conditions. Use and occupancy protection will be required as well as profit insurance.

Every prospect in the vicinity of

agents should be solicited for authorization to make a survey of insurance needs.

Judge Potts Resigns

Judge Rufus M. Potts, former Illinois insurance superintendent, has resigned as president of the Central States Motorists of Chicago, which is affiliated with the Motorists Association of Illinois. Several reorganization plans have been proposed and the insurance department is investigating.

Tuells Heads New Branch

L. F. Tuells, former sales manager for the Illinois Manufacturers Mutual Casualty and before that western manager of the Liberty Mutual, has been appointed manager of the newly opened Chicago branch of the Employers Mutual Liability and Employers Mutual Indemnity of Wisconsin. The branch is at 612 North Michigan avenue.

Receiver for Mutual

Assets of \$432 and liabilities \$6,725 were found for the Physicians Mutual Protective Union of Nashville, which is in the hands of a receiver. The same promoters are reported to have been

behind the Physicians Mutual Health & Accident which was placed in receivership in May, 1932, and on which an assessment was levied.

Pacific Mutual Policy Changes

The Pacific Mutual Life has reduced the minimum limit of insurance to \$1,000 principal sum and \$15 weekly indemnity under its "Pacific leader" policy and \$15 weekly under the "Pacific special" with \$500 reimbursement benefits. Premiums have been increased on both these forms in all classifications. On the "Pacific feature" and "Pacific feature D" premiums are reduced for combinations in the higher classifications. There is no change on other policy forms. New level combinations of principal sum and weekly indemnity benefits are now made available. These changes apply to employed women who may be eligible for either the "Pacific leader" or the "Pacific special accident" policies.

Chicago Handles Collections

Premium collections heretofore made through the general agency of H. G. Denney, representing the Pacific Mutual in Aurora, Ill., hereafter will be made through the Chicago branch office. The Aurora office is being re-

tained at 710 Aurora National Bank building. Mr. Denney, who has been with the company 16 years and is one of its outstanding producers, continues as a district representative, the change being made to take office details off his shoulders so he may concentrate on his production.

Celebrates 40th Anniversary

DES MOINES, April 5.—An agency convention and school of instruction is being held here by the Town Mutual Dwelling, celebrating its 40th anniversary, with nearly 400 in attendance. Speakers include President B. Rees Jones, H. P. Cooper, secretary National Association of Mutual Insurance Companies, Indianapolis, Prof. J. P. Ryan of Grinnell College, Governor Clyde L. Herring and Dr. S. S. Huebner, University of Pennsylvania.

Great American Indemnity at Omaha

Hamilton & Co. of Omaha have been appointed general agents for the Great American Indemnity in that city.

Work on the new home of the **Northwestern Life & Accident** of Seattle is proceeding so rapidly that the company expects to occupy the new building in a few days.

Our Sales Campaign Receives a Complaint

And We Publicly Apologize to Agent Ward

IN our previous chats about our "Current Opportunities Campaign", we have been citing specific cases of approval received from Agents at various points throughout the Country. It is only fair, therefore, that we tell you of a complaint we have received.

During the month of September, the H. J. Ward Agency at Huron, South Dakota worked out a personalized campaign with the aid of our Field Man for that territory. They chose Plan No. 161 as seeming to have good prospects for that locality, and the Agency went after it intelligently and systematically.

Recently we wrote Mr. Ward and asked how he was getting along with his efforts. His reply plainly indicated he was not satisfied: he had applied our plan to 25 carefully-selected prospects, and whereas

he had evoked the interest of 22, these had resulted in "only" 14 sales.

Of course, we would have considered a fifty-six per cent. return pretty good, but evidently some of our Agents rate this campaign even higher than we do ourselves. Mr. Ward explains that he is going back to Suggestion No. 134 which produced 37 sales! We don't blame you, Mr. Ward: ours is the error!

It might be a good idea to let the users of our campaign write our advertising copy hereafter. Agents are more apt to believe the statements of other Agents, anyway—even if their claims are greater than we would dare to make ourselves.

Possibly You would like something that has produced a 56% return, and better. It's your fault if you don't tell us so!

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JOHN F. WOHLGEMUTH, Secretary

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R. J. CHAPMAN, Resident Manager

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SETH WHITE, Resident Manager

PERSONAL SIDE OF BUSINESS

W. C. Roenitz, 67, prominent local agent of Sheboygan, Wis., died there after a week's illness following an operation. He started his agency in 1892. He was presented a gold watch fob by the Fidelity & Casualty in 1931 in recognition of 39 years' service.

After spending the past six years as vice-president of the J. R. Young & Co. agency of Buffalo, D. J. Lowd has purchased the C. H. Pierce agency of Northampton, Mass., and henceforward will devote his entire attention to developing its business. At one time Mr. Lowd was president of the Vermont Association of Insurance Agents.

R. T. Miller of Iron Mountain, Mich., state agent of the America Fore group in the northern peninsula, died of a heart attack at the union station at St. Ignace last Friday while waiting for a train to Manistique. Mr. Miller was formerly a local agent at Iron Mountain and in 1910 went in the field for the Continental. He traveled in Wisconsin and the northern peninsula of Michigan for that company but for the last five years represented all the America Fore group in the northern peninsula alone. He turned his local agency over to his son, Carl G. Miller.

R. T. Miller was about 70 years of age. He, in days gone by, served as mayor, city clerk and clerk of the probate court in his city. He was in Sault Ste. Marie last Thursday and had dinner with John P. Old, Sr., a local agent of that city, Wednesday night and breakfast Thursday morning. Western Manager E. A. Henne of the America Fore group at Chicago and State Agent C. E. Hayne of Milwaukee attended the funeral.

Randolph Buck of Chicago, manager of the Western Factory, died at Sewanee, Tenn., Sunday, and was buried in that city Monday, the funeral services being held at 4 p. m. General Manager S. W. Tripp and Assistant Chief Engineer F. B. Quackenboss of the Western Factory attended the funeral. Mr. Buck was a man of unusual ability in his line. He possessed a dynamic personality and was aggressive in his methods. He had had a valuable sales training while on the road and later when acting as special agent of the Western Factory.

He was born at Vicksburg, Miss., March 1, 1870. He attended college at the University of the South at Sewanee, Tenn., and then entered local agency work in Vicksburg. He later was given a field position. He went north and traveled in turn for the old Western Underwriters Association, Atlas and Pennsylvania. His field experience covered Ohio, Indiana and Michigan. He went with the Western Factory in 1908 as special agent and then was employed by the Pennsylvania as Ohio state agent. He returned to the Western Factory in 1912 and subsequently was made assistant manager and finally manager. He served as captain in the Spanish-American war.

Mrs. Buck's old home was in Sewanee and Mr. Buck died there. She is the daughter of the famous Confederate leader, Gen. E. Kirby Smith. Both Mr. and Mrs. Buck attended the University of the South. At their home in Winnetka, Ill., they had an artistic flower garden, both being very fond of floriculture. There are two daughters, Mrs. W. Ogden Coleman of Winnetka, Ill., and Mrs. Eugene Ackerman of Greenwich, Conn.

Special Agent M. F. Hegler of the Western Factory, who travels in Kentucky and Tennessee, attended the funeral.

A. C. Pearson of New York City, chairman of the board of the United Publishers Corporation, which owned a

number of trade papers including the "Spectator," died suddenly from a heart attack April 1. He was a brother of P. M. Pearson, governor of the Virgin Islands.

Harry H. Woodring, former governor of Kansas, who has been nominated as Assistant Secretary of War by President Roosevelt, was formerly a local agent at Neodesha, Kan., where he was associated with C. A. McCullough in the Woodring & McCullough agency.

Announcement has been made of the coming wedding of Miss Margaret Atwater, daughter of Mrs. Walter E. Atwater, Milwaukee, to Horace M. Kinne April 22. Miss Atwater is a daughter of the late Walter E. Atwater, for many years Wisconsin state agent for the Caledonian and prominent in field club and Blue Goose circles.

Boyle O. Rodes, a partner in the W. H. Markham & Co. Agency, St. Louis, has been reelected chairman of the board of the St. Louis county chamber of commerce.

The funeral of Mrs. Fred A. Rye, wife of the president of the Improved Risk Mutuals of New York City, was held at the home of her daughter, Mrs. Betty Rye Munroe, at Kenilworth, Ill., Wednesday of this week. Mr. and Mrs. Rye resided at Montclair, N. J. She died at her daughter's home after a long illness. In addition to Mr. Rye and the daughter, she is survived by Fred S. Rye, a son, who is connected with the James S. Kemper mutual organization in Chicago. Her husband is well known in the insurance world and was formerly president of the Public Fire of Newark, N. J., and prior to that was western manager of the Commercial Union.

Judge W. H. Tomlinson, secretary of the Ohio Association of Insurance Agents and former superintendent of insurance, has been quite ill at his home in Dayton with angina pectoris.

Harold C. Anstaett, associated with his brother, E. C. Anstaett, in Town & Village Insurance Service, Columbus, O., may lose his sight as the result of acid from a battery splashing in his eyes when his automobile upset a few days ago.

A. R. Gress, who retired April 1 as state agent for the North America in Minnesota, was given a farewell dinner by the Minnesota Blue Goose. C. E. Nugent, most loyal gander, presided. On April 10 the Tribe of Pee-Quack-Osh-Tay-Gwon will tender Mr. Gress a farewell dinner.

Hiram McCullough, who has been in the lumber business with headquarters in the New York Life building, Chicago, has been appointed office manager of the state insurance department at Springfield by Insurance Superintendent Palmer. Mr. McCullough is prominent in civic activities in Evanston, Ill., where he resides. He was formerly an alderman from the sixth ward in that city. He is known to a number of insurance men, largely through his connection with the Union League Club. He is proving a very capable official.

F. S. Danforth, president of the Millers National, is back at his desk after a two months' sojourn in St. Petersburg, Fla. Ralph S. Danforth drove his mother and father back to Chicago via automobile.

Briggs A. Hoffman of Hoffman, Son & Co., St. Louis, and the Hoffmann-Footman Agency, Kansas City, is in a St. Louis hospital recuperating from an operation which he underwent April 1.

Responsibility of Agents

AGENTS and brokers are confronted with a serious problem in connection with the GLOBE & RUTGERS situation. It has been the custom of agents and brokers to stand the unearned premium in case of a failure. In other words, the producers have insured the insurance. A policyholder in all good reason should expect that his insurance man or firm will place him in a company that is considered sound and reliable. Naturally he leaves the selection to the insurance man because the policyholder is supposed to know little or nothing about the standing and reputation of the various companies as to management, solvency, permanency, etc.

In the past some agents have taken chances on companies that paid higher commissions, granted liberal forms, gave perquisites of various kinds and were not so meticulous regarding rules and regulations. Some took business that the standard companies rejected. That fact in itself was an evidence of danger. Companies that were organized under promotional auspices have not had so much to commend them. There has been in some cases what might be termed an exploiting or plunging management and yet officials may have possessed a certain amount of sagacity and resourcefulness in securing agency contacts. Agents and brokers have taken many chances on this class of

institutions. Therefore when the worst came, they were morally responsible for the bad judgment they used. They wrote insurance in these companies, not because they believed thoroughly in them, but because it was to their advantage to have the insurance written in them. There is a sense of moral responsibility resting on agents and brokers so far as company selection is concerned.

When it comes to a company of the GLOBE & RUTGERS type, one of great size, extremely well managed, that has been unusually successful and gave every promise of emerging from the depression ordeal, it places the agents in a different light. Perhaps those on the inside may have had some doubt as to the future of the GLOBE & RUTGERS, even a year or so ago. We doubt very much whether many agents or brokers questioned its permanency. We believe if they recommended this company they felt that it was secure in every respect. Is, therefore, an agent or broker responsible to his customer for the unearned premium in case of a failure or suspension of this character? We do not believe that the producing end should consider itself liable in a case of this kind. It is asking too much of the agents and brokers. All that can be expected of them is to give intelligent and well ordered advice.

All Are Making Contribution

IN THE economies of administration and in the effort to conserve resources, officials and employees of insurance companies of all kinds have made their contribution. Salaries have been reduced up and down the line and from a percentage standpoint in many offices the

higher brackets have made the greatest proportionate sacrifice. Therefore, when companies were called upon to make more stringent rules some policyholders have felt that the public alone is bearing the brunt. That is not true. All in the business are making their contribution.

What People Expect of Salesmen

PEOPLE are interested to know what insurance will do and how it will fit in with their particular needs and obligations. The salesman, therefore, who not only can tell

what a great thing insurance is, but, more than that, can tell what it will do, is able to leave the greatest impression on his clients.

Too Much Caution Is Unwise

AN OBSERVER said the other day that if one asks for money he may not get it. But if he does not ask he certainly will not get it. There is such a thing as being

too cautious and conservative. After all it is necessary to obtrude oneself quietly and inoffensively. The salesman, not being brash or bold, can at least be forceful.

WHEN YOU MEET YOUR CLIENT FACE TO FACE

Can you look him in the eye and feel that you have advised him well as to the insurance protection he needed and have placed his insurance in strong stock companies?



PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,

NEW YORK CHICAGO SAN FRANCISCO



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

ATLANTA DALLAS MONTREAL

AGENTS ORGANIZATION NEWS

Alabama Convention Date Set

Agents' Association Annual Meeting to Be Held in Birmingham May 11-12—Gandy and Greer to Speak

BIRMINGHAM, ALA., April 5.—The Alabama Association of Insurance Agents will hold its annual convention in Birmingham May 11-12. Headquarters will be at the Thomas Jefferson Hotel and more attention will be given to business and less than usual to entertainment features.

Charles L. Gandy, president of the National Association of Insurance Agents, in whose home city the convention is being held, and Charles C. Greer, state superintendent of insurance, will be among the speakers. Negotiations also are under way for at least two prominent out-of-state speakers, President W. W. Croom says.

Agents of Lima, O., Publicly Jointly Demand 30-Day Pay

Action similar to that taken by Springfield, O., agents in jointly and publicly notifying assureds that payment of premiums in 30 days from the date of the policy is mandatory, has now been adopted by the agents of Lima, O. In that city, 26 agencies financed an advertisement, which appeared in the daily press, and was reproduced in circular form and sent to policyholders, along with collection notices.

The advertisement reads in part as follows: "Important notice to all fire and casualty insurance policyholders. In view of the tremendous losses incurred by all insurance companies through necessary payment of claims, amounting to about \$1,500,000 per day and in order that the insurance companies may continue prompt claim settlements, the companies have made it mandatory that their agents make settlement for all insurance written in strict accord with their respective contracts. It, therefore, becomes necessary that payment of insurance premiums be made to the agent within 30 days from the date of the policy. All outstanding accounts now in arrears must be paid on or before April 15. Thus to avoid possible cancellation, we, the fire and casualty insurance agents, operating in this city, must respectfully ask that our policyholders comply."

Casualty Agents Should Be Exempted Says Commissioner

WEST PALM BEACH, FLA., April 5.—Commissioner W. V. Knott of Florida has expressed to President W. P. Fischer of the Florida Local Underwriters Association the opinion that casualty agents should be relieved of the provisions of the qualification law, as too many write only health and accident and kindred lines. As most agents with even average volume come under the act as fire agents, no harm would be done.

Mr. Knott also feels that "actively engaging in insurance business" is too weak a qualifying clause, and should be replaced by a definite statement of the amount of time the agent or solicitor actually works at the business. This is especially important in the larger cities.

Renew Wichita School Cover

WICHITA, KAN., April 5.—The Wichita Insurors have renewed the insurance on the Wichita schools and Sedgwick county property which they have handled for the past ten years. All the insurance is written with the stock companies and to reduce the number of

policies combined fire and tornado policies are written and each member agency is asked to write its proportion in one five-year policy, which has resulted in reducing the number of policies about 75 percent.

Commissions from the public insurance are divided among the members of the Wichita Insurors under a three-part plan. One-third is divided equally among all agencies, another third according to the dues each pays to the state and national associations, and the remaining third according to the number of companies (excluding life) which each represents on a sole agency basis. This plan has met with complete satisfaction.

Consider Springfield Plan

CLEVELAND, April 5.—A special meeting of the Insurance Board of Cleveland was held on Tuesday to consider the plan covering a 60-day cancellation clause being pushed by the Insurance Board of Springfield, O. The movement was started after the Ohio legislature passed a law empowering the director of commerce and the superintendent of insurance to make such a ruling as an emergency measure.

The postponed meeting of the Cleveland Board will be held April 12. Fire Chief Granger will speak.

Providence Group Celebrates

The 50th anniversary of its organization was celebrated by the Insurance Association of Providence, R. I., at a dinner. C. F. Newcomb, former president, was toastmaster and reviewed the association's history. Commissioner O. L. Heltzen of Rhode Island discussed recent events. A. B. Bielaski, National Board, talked on "Problems of Arson Prosecution." President J. G. Henshaw presided.

Appeal Made in Ohio

The Springfield, O., Association of Insurance Agents has gotten in touch with other Ohio organizations, stating that a committee called on Director of Commerce Tangemann of Ohio concerning the subject of making it mandatory for insurance companies to include an automatic cancellation clause in all policies written in the state. The official stated very frankly that if it developed that the agents and companies showed a general disposition toward such a move he would give it very serious consideration.

Adopt Fond du Lac School Plan

FOND DU LAC, WIS., April 5.—The board of education has accepted the plan offered by the Fond du Lac Board to provide insurance on school property. The plan was worked out by a committee consisting of W. C. Thornton, president; A. J. Petrie, secretary, and H. T. Hierl. The board will pro-rate the business among the various local agencies.

Milwaukee Situation Cleaned Up

MADISON, WIS., April 5.—Collection of fines against solicitors in Milwaukee Board agencies who were found operating without a license has been practically completed, a fine of \$5 being assessed against the 36 persons found soliciting insurance without complying with state laws, in a checkup ordered by Commissioner Mortensen.

Push Bank Separation Move

OKLAHOMA CITY, April 5.—The Oklahoma Association of Insurors is urging all local boards in the state to communicate with their representatives at Washington, asking their cooperation in securing an amendment to the federal banking law to provide for complete

separation of insurance and banking. The Associated Fire & Casualty Underwriters of Oklahoma City has endorsed the movement and is endeavoring to interest Oklahoma congressmen.

Yazoo Delta Agents Meet

GREENVILLE, MISS., April 4.—The Yazoo Delta Local Agents Association met here last week with 30 in attendance. President Ben Kuykendall of Drew presided. John Sharp Williams III, representing the state association, was the speaker. The next meeting will be at Ruleville.

Regional Meet at Ardmore, Okla.

OKLAHOMA CITY, April 5.—A regional meeting of the Oklahoma Association of Insurors will be held in Ardmore Friday. Agents of the southern half of the state particularly and a number from other sections will attend. A program of formal addresses had originally been planned, but on account of conditions this was changed and it will be more of an opportunity for agents representing various lines to get together and discuss problems confronting them.

Some of those who represent casualty or bonding companies in the smaller cities and towns feel they are at a disadvantage as compared with agents in the larger cities, and may discuss this condition with a view to later concerted action.

TAMPA, FLA., April 5.—President W. P. Fischer has reported that the Florida Local Underwriters Association will actively seek separation of the state insurance department. The agents will not seek further appropriations, but will hold the fund already allocated is sufficient if judicially used.

Although the recent convention went on record as opposing the 60-day payment rule, some of the Florida leaders are of the opinion that it is necessary and will have a tendency to keep down the crooked losses, although it might have a tendency to arouse the concern of policyholders over the financial condition of the companies.

Salina Adopts "In or Out" Rule

The Salina (Kan.) Board has passed the "in or out" rule, President G. T. Fisher, Fitzpatrick-Eberhardt Agency, reports. H. K. Rogers, Western Actuarial Bureau, Chicago, addressed the board March 30.

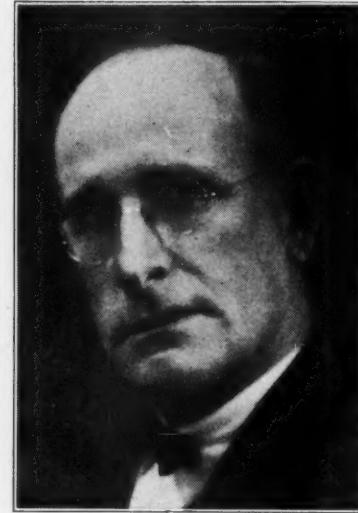
The Arkansas City (Kan.) Board held a special luncheon meeting at which Harry K. ("Smoky") Rogers spoke.

LOCAL AGENCY NEWS

John Murray Taken by Death

Veteran Local Agent Was Active in Oklahoma Association Affairs—Served as President

John Murray of the Garnett & Murray agency of Altus, Okla., died last Saturday. Mr. Murray had been active in the Oklahoma Association of Insurors for many years, serving as president in 1929-30 and previously having served as



JOHN MURRAY

chairman of the executive committee. He was active in promoting regional group meetings and especially organizing the agents of southwestern Oklahoma.

Mr. Murray was born in Memphis, Tenn., in 1876, and went to Altus in 1910, where he organized his own local agency. Later he combined with Elmer Garnett.

New County Plan at Toledo

TOLEDO, O., April 5.—Insurance on all county property, aggregating \$3,249,000, will be placed with ten companies instead of being distributed among 200 as formerly. The companies chosen are

the American of Newark, Automobile, Fidelity-Phenix, Fireman's Fund, Great American, Hartford, Home of New York, North America, National of Hartford and Firemen's.

G. L. Eiselstein, Wright, Russell & Bay Co.; Walter Schmitt, Theodore Schmitt Co., and E. N. Mettler, E. N. Mettler Co., have been chosen as agents of record for county insurance. Each of them is to receive 15 percent of the insurance. The balance of 55 percent is to be assigned by the county commissioners. By arrangement with the ten companies any agent to whom insurance is allotted will be able to place it with those companies and receive the full commission.

Ulery Has New Lineup

KANSAS CITY, MO., April 5.—C. E. Ulery, general agent here, has secured the representation of the Northwestern Fire & Marine and the Twin City Fire for Missouri and Oklahoma. Mr. Ulery was with the Home group in Missouri, Kansas and Oklahoma for three years. For about seven years following, he was state agent for the Northwestern and Twin City in Missouri, Kansas and Oklahoma. For the past four years Mr. Ulery has been general agent for the Chicago Fire & Marine and Lincoln Fire.

Rochester Agency Changes

The Loewenguth Dineen & Hock agency, Rochester, N. Y., has been dissolved. L. C. Hock has opened a new agency under the name of Louis C. Hock & Son Co. His son, G. M. Hock, who has been special agent of the Scottish Union & National, will be associated with him. Fred Loewenguth is also expected to open a new agency.

The United States Fidelity & Guaranty, which has been represented by Loewenguth, Dineen & Hock, has opened a branch office in Rochester.

Howland Sells Agency

DETROIT, April 5.—Dean W. Howland, treasurer of the Detroit Association of Insurance Agents, has sold the Howland Agency to the A. H. Sibley Company and has joined Homer Warren & Co. under J. Alfred Gow, vice-president in charge of the insurance department. Mr. Howland has operated

LOYALTY GROUP

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
HENRY M. GRATZ, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board

W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board

J. SCOFIELD ROWE, Vice Chairman

H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. MCCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3d Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. MCCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 481-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2d Vice Presidents
 FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

the Howland Agency for 20 years. He has served as a director of the Detroit board for the past three years and as treasurer for two years.

News of Local Agencies

Fry & Mumford, composed of R. G. Fry and Glenn Mumford, is a new agency with offices in the Kennedy building, Tulsa, Okla.

The agencies of R. F. Cox and J. H.

Rohrer, Mansfield, O., have consolidated to operate under the name of **R. F. Cox, Inc.** The new officers are R. F. Cox, president; J. H. Rohrer, vice-president; R. L. Rice, secretary.

E. H. Dumble, 66, founder and head of the E. H. Dumble & Co. agency, Houston, Tex., died there a few days ago. He established the agency in 1907.

Mrs. Frank A. Church, wife of a Paris, Ill., local agent, died recently at the age of about 45. She had been ill for some time. She was well known to field men because she worked in her husband's office.

FIELD MEN'S ASSOCIATIONS

Detroit F. & M. Field Rally

Western Contingent at Home Office for Three-Day Conference with Executives

DETROIT, April 5.—Western field men of the Detroit Fire & Marine gathered at the home office for a three-day conference with executives. Vice-president Raymond Waldron presided at the business sessions, at which the company's production, expense ratio and loss ratio were discussed together with its facilities for handling various special lines.

Charles A. Reekie, vice-president and secretary, was toastmaster at the banquet. Officers attending included Mr. Waldron and W. O. McLellan, secretary. George H. Harrison, Detroit manager Western Adjustment, was a guest at the banquet.

Heart of America Blue Goose

The annual election and initiation of new members of the Heart of America Blue Goose will be held in Kansas City April 15.

Virginia Meeting April 11

RICHMOND, April 5.—Plans for the annual meeting of the Fire Insurance Field Club of Virginia at Virginia Beach April 11 call for a banquet following a business session expected to take most of the day. The executive committee will meet in the morning. Plans are expected to be completed at the meeting for the interchange of information between members which would be of value to their respective companies. The new rule of the S. E. U. A. for handling balances will be explained.

Iowa Mutual Men Organize

DES MOINES, April 5.—Iowa Mutual fire and casualty field men have organized a new organization to be known as "1752," referring to the year when the first mutual was organized.

Officers are J. M. Winchell, Cedar Rapids, president; M. J. Wilkinson, Des Moines, vice-president; R. F. Nelson,

secretary, and H. W. Byers, Des Moines, treasurer. Directors in addition to the officers are H. O. Park and C. W. Donahue, Des Moines, and A. W. Coquillette, Cedar Rapids.

Several Town Inspections

R. E. Verner, manager fire prevention department Western Actuarial Bureau, will speak at a luncheon of field men and local agents in Minneapolis, April 20. He also may speak at the inspection of Harvey, Ill., by the Cook County Field Club late in April or early in May, the date to be decided later.

Other inspections are, Albert Lea, Minn., April 19; Shelbyville and Shelbina, Mo., April 13. Alton, Ill., was inspected April 4. H. K. Rogers will give his fire clown show April 20 at the Spencer school in Austin, Ill., and at the T. J. Waters school in Chicago, April 21.

Colorado Blue Goose Outing

Members of the Colorado Blue Goose held an outdoor meeting and outing in Denver's Park of the Red Rocks near Mount Morrison April 2, with their families.

News of Pacific Coast States

Uniform Deviation Act Passed

Insurance Agents League of Washington Assists in Defeat of Several Undesirable Measures

A new uniform deviation act, introduced at the request of the insurance department, has become effective in Washington. It provides that any company deviating from filed fire schedules shall deviate uniformly in all classes of insurance. Since the filing of the Woolley schedule, some companies have deviated from the filed rates on certain preferred classifications. Under this statute, if those companies or others still

desire to deviate, they must file a percentage deviation in all classes.

The governor vetoed a bill providing that any agent placing business in a company he did not represent must take out a broker's license costing \$100. The Insurance Agents League of Washington contended that it did away with the present statutory right of exchange of business between agents. The league was instrumental in securing the defeat of the state fire fund and state automobile fund bills and secured the withdrawal of a department measure calling for \$1,000 bond for every company an agent represented.

Two bills which the league favored also failed of passage. They were the safety responsibility act and the bill for repeal of the valued policy law.

Wants Securities Redeposited

New Mexico Commission Order Would Set Aside Legislative Action for Return to Companies

DENVER, April 5.—Insurance companies doing business in New Mexico will be ordered by the corporation commission, which controls the insurance division, to return to state authorities \$975,000 in securities. That amount in securities was formerly deposited with the state by fire, casualty and surety companies to guarantee their contracts in that state. Fire and casualty companies were required to deposit \$10,000 in approved securities, while the bonding companies were required to post \$20,000, but it was costing the state a considerable sum to provide protection for these securities, and consequently the New Mexico legislature in 1929 authorized the return of these deposited securities to the companies, provided the latter had been transacting business in the state not less than ten years. This period had been recommended to the legislature by Frederic Williams, of Denver, secretary of Rocky Mountain Fire Underwriters Association, as a fair test of the companies' responsibility.

The return to the state of the securities is demanded on or before April 25 by the corporation commission, which claims constitutional control over the securities, whereas the legislature's order for the release of them was directed to the insurance division. The present tangle is likely to produce conflict between the legislature, the insurance division, the corporation commission and the state treasurer, who probably had actual possession of the securities. The insurance companies have received no direct information regarding the order, according to Mr. Williams, who said he was reporting the matter to the National Board.

Neumann Is Treasurer

E. F. Neumann, Los Angeles manager Indemnity of North America, has been made treasurer of the Insurance Credit

Clearing Association of Los Angeles, succeeding S. L. Boughn, Fidelity & Casualty, who has been transferred to San Diego.

Eastern Executives Visit Coast

C. E. Sturhahn, president Rossia, has returned to New York City following a visit with Lyman Hale, Pacific Coast general agent.

Victor Roth, president Security of New Haven, has left for his home office after a brief visit to the Pacific Coast.

Utah Agents' Meeting

The Utah Association of Insurance Agents will hold its mid-year meeting at Ogden, May 20.

J. Charles Harris, Blue Goose past most loyal grand gander, addressed the San Francisco Blue Goose April 3 on "Courage."

LEGISLATION NEWS

Attack Wisconsin State Fund

Agents Attend Hearing at Madison—Seek to Bar Political Subdivisions from Fund

MADISON, WIS., April 5.—"Nailing" the Wisconsin state fire fund may become a reality, it was indicated at a legislative hearing attended in Madison by representatives of virtually every local agents' group in the state. The agents appeared to further the passage of the bill, introduced at the request of the Dodge County Association of Insurance Agents, which would provide that the state fund could insure only state risks.

When first introduced, the state fund was intended only for this purpose, but in 1911 it was allowed to insure state subdivisions, with the result that agents throughout the state are meeting devastating competition from it in selling counties, cities, towns, and school districts.

Take State Out of Business

L. C. Hilgemann of Leedom, Miller & Noyes, Milwaukee, chairman of legislative committee, Wisconsin Association of Insurance Agents, urged that the state be taken out of the insurance business. The state fund, he pointed out, takes the benefit of the rate work of the companies, but pays virtually nothing to the upkeep of this work.

R. J. Neckerman, Neckerman agency, Madison, described the competition met by agents, and the enterprise of the insurance department members charged with the care of the fund.

"We believe the state has the right to insure its own property, as any individual has, but that it is wrong for it

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to engage in competition with its taxpayers," declared Mr. Neckerman.

Mr. Neckerman pointed out that one company, which wrote the same amount of business in Wisconsin during 1932 as the state fund, paid \$4,215 in taxes to the state. He also discussed unfair advantages which the state has in competing with private concerns, and in being able to write business at 49 percent of the rate of private stock and mutual companies.

Pays \$4,215 Taxes

Frank Lawton, in charge of Wisconsin insurance funds, opposed the measure. Commissioner Mortensen, who was present, made no comments.

Others appearing in favor of the bill were J. G. Grindle for the Milwaukee Board; H. H. Bush for the Madison Board; W. C. Thornton for the Fond du Lac Board, which had a large contingent at the hearing, and members of

the Dodge County association, and the Wisconsin Mutual Alliance.

Insurance Interests Back Valued Policy Repeal Bill

A hearing before the legislative insurance committee in Madison, Wis., on bill 605a to repeal the valued policy law, developed strong support for this proposal among some 200 assessment companies, the Wisconsin Mutual Alliance and stock fire companies and agents. It was reported the showing made for the bill was impressive. Opposing it were the insurance commissioner and Attorney Padway of Milwaukee, son of a public adjuster of that city. The bill still is in committee. The substitute proposal in the bill is that no assured should recover more than the actual loss or damage, and if he were over insured he should receive a propor-

tional rebate of premium with 10 percent interest. The bill stipulates that no agent, company, broker or assured shall knowingly negotiate, continue or renew any fire policy upon real property or interest therein in an amount which with any existing insurance shall exceed the fair value thereof.

An important stipulation in the bill is, "It is hereby declared to be the public policy of this state that insurance against fire is indemnity against actual loss and damage, and to that end this section shall be strictly construed."

Qualification Bill Changed

OKLAHOMA CITY, April 5.—A bill introduced in the last days of the legislative session to take the place of the original qualification bill, makes only one change from that bill, decided on after the first bill was introduced. Instead of having a general board of examiners with jurisdiction over the entire state, provision is made for a board of three

members for each county. Under the original plan, it would be necessary for agents to travel to the capital, at some expense. Having a board in each county would greatly expedite the work at small expense.

May Exchange Securities

DES MOINES, April 5.—Insurance companies are given the right, under a measure passed by the senate, to substitute or exchange securities deposited with the insurance department for others of equal value. It must appear, however, that the position of the company will be strengthened by the exchange and be to its advantage. The exchange must be approved by the insurance commissioner. Values placed on the securities substituted must be determined by the commissioner upon a value not relatively higher than those of the securities on file.

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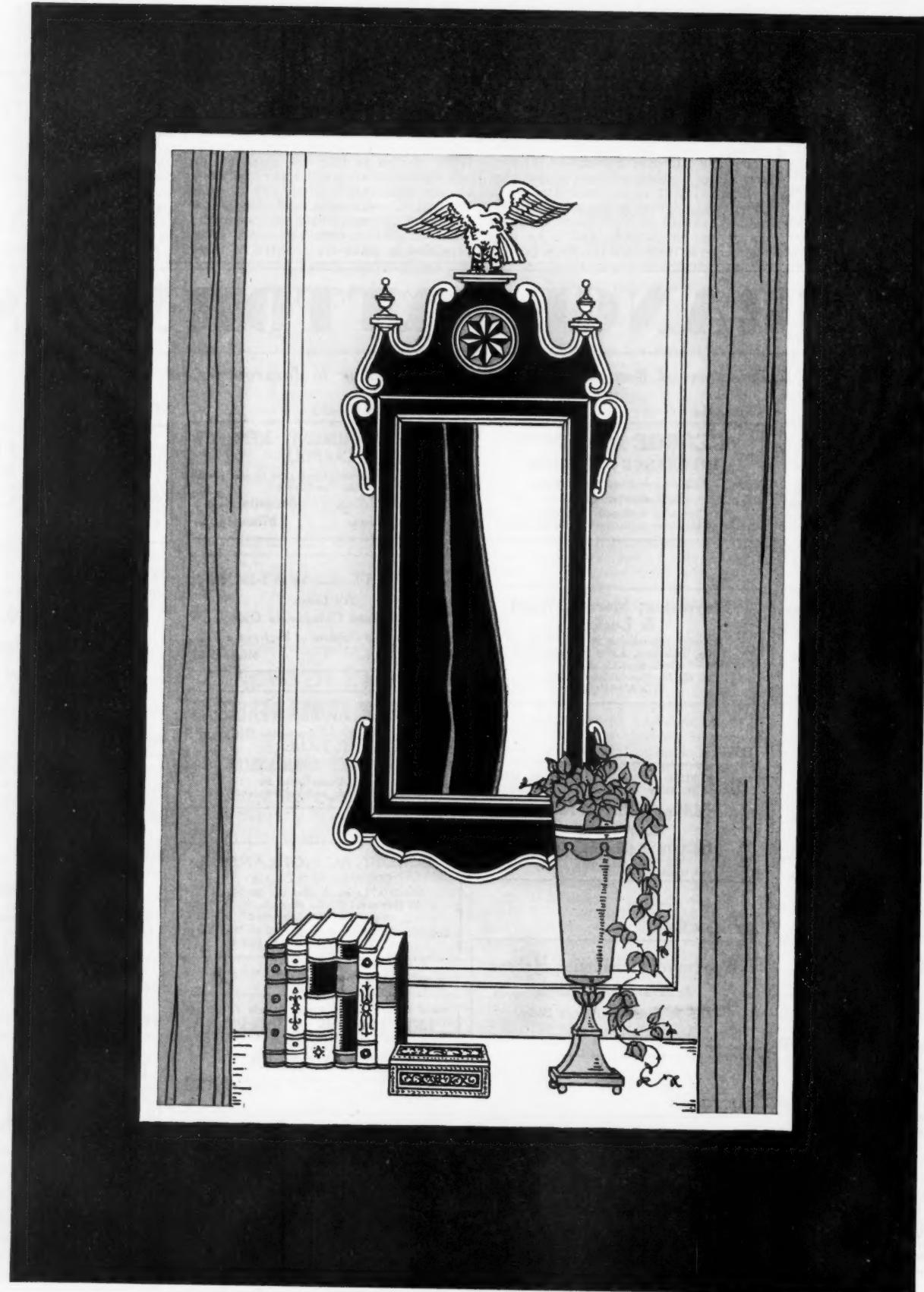
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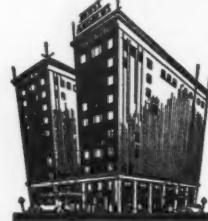
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cent, in the amount of real estate and real estate securities which may be deposited with the department was approved by the senate in a bill which now goes to the governor for signature.

Want Publicity Clause Repealed

Insurance men are interested in the effort of Senator Robinson of Arkansas to secure a repeal of the publicity clause in the Reconstruction Finance Corporation act, such a bill having been introduced last week. He declares that the publicity provision has not accomplished anything wholesome and he finds there is a general demand for modification.

Nebraska License Bill Passed

LINCOLN, NEB., April 5. — The house has concurred in amendments to the bill requiring non-resident insurance brokers and agents writing property in-

surance in Nebraska, who are licensed in their home states, to take out Nebraska licenses and pay a \$10 fee. The bill now goes to the governor for his signature.

Henne Presents Medals

E. A. Henne, vice-president and western manager of the America Fore group, presented 25-year service medals to five Indiana agents at a luncheon in Indianapolis, which was attended by all of the Indiana field men of the group and by H. W. LaRue, secretary of the group. Will and Frank Walls, brothers, of Bedford, each received three medals, one for the Continental, another for the Fidelity-Phenix and a third for the American Eagle.

Stewart L. Drake, Denver, has resigned his position with the Drovers Agency and has established an agency under his own name.

MOTOR INSURANCE NEWS

Question of Depreciation Cost

Allowance for That Item Made by Minnesota Court in Globe & Rutgers Case

The Minnesota supreme court in Ciresi vs. Globe & Rutgers takes up the question as to whether general depreciation is within policy coverage. The plaintiff's automobile was stolen and returned over a month later badly deteriorated. When stolen it was almost new. Expert estimate stated that the thieves or someone else must have run it an additional 10,000 miles. Repairs cost \$201. This sum was awarded as damages by the appraisers. There was evidence for plaintiff that even as repaired, the machine was worth at least

\$600 less than when stolen. The appraisers construed the policy to limit recovery to cost of repairs and replacements and to exclude anything additional for depreciation.

The supreme court considered the construction settled in the plaintiff's favor by Christison vs. St. Paul F. & M. 138 Minn. 51. Apparently the court said that this case has been considered as settling a law and the court permits it to remain so. The deduction required by the policy "for depreciation however caused" is obviously to be made in determining the sound value of the property, the court held. In omitting the item of \$600 for depreciation the court said the appraisers made a gross mistake and unless rectified will wrongfully deprive the assured of recovery for the substantial item in question. Judgment for the plaintiff is affirmed.

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(CONTINUED FROM PAGE 3)

pany went into the hands of a receiver they would be charged pro rata for their business, instead of being required to settle at short rates, as would hold if flat cancellation were ordered by them.

Dunham Was Vigilant

When the earlier flurry over the Globe & Rutgers occurred some months ago and Commissioner Dunham of Connecticut was reported contemplating revoking its license in that state, H. E. Bilkey, vice-president of the Globe & Rutgers, went to Hartford and satisfied Col. Dunham that the institution was able to pay its losses. The commissioner was told that if the company were unhampered, it would work out of its difficulties. Had Col. Dunham canceled the license in Connecticut other states undoubtedly would have followed suit, and the company would probably have been wrecked then. Mr. Bilkey, a son-in-law of J. S. Frelinghuysen, president of the Stuyvesant and a director of the Globe & Rutgers, has been identified with fire insurance for about 10 years. He enjoyed the confidence of E. C. Jameson, president of the Globe & Rutgers.

While numerous plans for rehabilitating the company have been reviewed, what would most effectively accomplish the desired result would be a substantial upturn of the security market. With the huge stock holdings of the Globe & Rutgers even a modest gain in quoted values would turn the tide.

Bulletin of W. U. A.

The Western Underwriters Association has sent out a bulletin in view of the Globe & Rutgers failure, citing its commission rules, thus putting members on warning that excess commissions may not be paid on Globe & Rutgers' business written for the unexpired term for agents. Apparently some of the companies were on the point of ignoring commission rules in making deals of this kind, on the theory that these transactions constituted reinsurance, on which commission rules do not apply. However, the Western Underwriters Association regards the acceptance of liability on a pro rata basis for the unexpired term as an accommodation due to a catastrophe and not reinsurance in a strict sense.

The Western Factory Association, like the Factory Association in the east, has arranged to reallocate the participation of the Globe & Rutgers and take care of the unearned premium for the assured. Likewise, the Globe & Rutgers' share of incurred but unpaid losses will be paid by the Western Factory.

Provision of Recent Origin

Until two years ago, the various special risk organizations did not have in their constitution provision for thus taking care of the liability of members that went out of business. The Western Sprinkled Risk Association was the first to include this provision. The Factory association followed and then the Western Factory.

Those who have the welfare of these organizations at heart point out that there is an advantage to the agent in having a risk insured in this way, because of the provision that the liability of a defunct member is taken care of.

The 6 1/2 percent participation of the Globe & Rutgers in the Underwriters Grain Association is being absorbed by the other members. Several of the member companies, which have been solicited to take a portion of the Globe & Rutgers' participation, have not yet replied, but there is no doubt that the gap will be filled in. The question of incurred but unpaid losses of the Globe & Rutgers through the Grain Association has not been given consideration by that organization. Possibly the other members will not assume that liability.

There is a difference in set up between

the Factory Association and the Grain Association, which would make it imperative for the former organization to assume the liabilities of a defunct member but would not make that course so imperative in the case of the latter organization. In the Factory Association, the policy is issued in one company and the risk is then reinsured among the other members. Should the originating company fail, therefore, and there were not automatic provisions for taking care of its liability, a loss might not be paid at all, for the reinsuring companies would pay their portion of the loss to the receiver of the originating company and those payments would be comingled with the other funds of the company.

In the Grain Association, however, all the companies are on every risk to the amount of their participation.

The participation of the Globe & Rutgers, American Home and Stuyvesant in the World Fair Underwriting Organization of Chicago has been reallocated to the other members in that pool.

TELEGRAPHIC EXPENSE

Much expense was involved in the sending of telegrams to Globe & Rutgers' agents by the company itself and by the New York insurance department. One telegram was sent by the Globe & Rutgers to many of its leading agents, asking them to subscribe to an issue of \$7,000,000 of preferred stock. Then there was a rather brief telegram from R. A. Brennan of the New York department to the 2,500 agents of the Globe & Rutgers and another telegram signed by Superintendent Van Schaick of 150 words to all of the Globe & Rutgers' agents.

Employees of the Globe & Rutgers were paid their salaries in full with checks dated April 1. In the past field men of the Globe & Rutgers have drawn on the company for their salaries, but this time they were paid by checks.

RECEIVER IN ILLINOIS

Chester Davis of the Chicago Title & Trust Company has been named ancillary receiver in Illinois for the Globe & Rutgers. He was appointed by Superior Judge Denis E. Sullivan on petition of Attorneys W. Feldman and A. Soble in behalf of Nathan R. Feldman, a policyholder.

GEORGIA ISSUES NOTICE

ATLANTA, GA., April 5.—The Georgia department has advised all Georgia Globe & Rutgers policyholders in this state to replace their insurance in some other licensed company in better standing. Persons having pending claims against the company are requested to notify the Georgia department.

ORDERS IN MISSISSIPPI

JACKSON, MISS., April 5.—With the declaration that the Globe & Rutgers Fire will not be relicensed in Mississippi unless rehabilitated, Commissioner Riley has advised policyholders in that state to seek reinsurance with other companies.

SITUATION IN CANADA

TORONTO, April 5.—Canadian assets of the Globe & Rutgers will be sufficient to reinsure all Canadian risks or to continue Canadian policies in force until they expire, it is stated here. As at Dec. 31, 1931, the company had \$1,328,775 of assets in Canada, including over \$800,000 of Canadian and U. S. government bonds, while its liabilities in Canada were \$731,230.

MORRISON & CLARK PLANS

OMAHA, NEB., April 5.—The Federal Union is taking over such business of the Globe & Rutgers through the Morrison & Clark agency as the Federal Union selects. Morrison & Clark is not standing for any loss. That agency has represented the Globe & Rutgers for several years and the Federal Union and New Brunswick for three years. It will continue with the two latter. All agents who desire are transferred to the Fed-

eral Union and will continue with Morrison & Clark. Mr. Morrison says no binder is being considered and that an attempt will not be made to make good policy losses on account of the Globe & Rutgers. There is no change in personnel.

CANCELLATION IN ALABAMA

MONTGOMERY, ALA., April 5.—Superintendent Greer has notified Globe & Rutgers agents in Alabama to cancel their business and rewrite it in some other company. Mr. Greer indicated that neither the policyholders nor the agents can be blamed for what has happened. Much of the Globe & Rutgers' business in Alabama was canceled last year.

SCHROEDER & SON PLANS

MILWAUKEE, April 5.—Chris. Schroeder & Son Co., Milwaukee, state and special agents for the Globe & Rutgers, is taking whatever steps are permitted under the law to protect its clients and acting upon recommendations made by the New York commissioner. Some business is being rewritten and other business is being carried under binder, many assured requesting one plan or another.

The Federal Union has been used in the state, where the Schroeder office has the general agency for the Globe & Rutgers, to protect policyholders on their policies.

Inasmuch as definite future plans of the Globe & Rutgers are still uncertain the Schroeder agency has not adopted any general plan of placing all present policies with other companies, officials said.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago,
at close of business April 3

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas.	10	1.60	32	33	
Aetna Fire	10	1.60	20	22	
Aetna Life	10	1.00	10	11	
Amer. Alliance	10	1.00	7	9	
American, N. J.	2.50	.50	5 1/2	6 1/2	
Amer. Surety	25	1.00	7	9	
Automobile, Conn.	10	1.00	12	14	
Boston	100	16.00	320	340	
Carolina	10	.50	6	7	
City of N. Y.	100	2.50	55	65	
Conn. Genl.	10	—	14	16	
Continental Cas.	5	—	6 1/2	7 1/2	
Continental Ins.	2.50	1.20	10 1/2	11 1/2	
Fidel-Phenix	2.50	1.20	11	12	
Fireman's Fund	25	3.00	34 1/2	35	
Fireman's F. Ind.	10	—	12 1/2	20	
Firemen's	5	.60	4 1/2	5 1/2	
Franklin Fire	5	1.00	8	9	
Glens Falls	10	1.60	17	20	
Globe & Rutgers	25	—	3	5	
Great Amer. Ind.	1	—	3	5	
Great American	5	1.00	7 1/2	9	
Hanifax	10	.90	7	9	
Hanover	10	1.60	16	18	
Harmonia	10	.50	5	7	
Hartford Fire	10	2.00	27	29	
Home, N. Y.	5	1.00	9 1/2	11	
Hartford St. B.	10	1.60	37	39	
Home F. & M.	10	2.00	19	20	
Homestead	10	—	3	5	
Ins. Co. of N. A.	10	2.00	25	27	
Lincoln Natl. L.	10	2.50	28	30	
Maryland Cas.	2	—	2	2 1/2	
Mass. Bonding	25	—	8	9	
National Cas.	10	—	3 1/2	5	
National Fire	10	2.00	30	32	
National Liberty	2	.10	2	3	
National Surety	10	—	4	5	
National Union	20	—	19	22	
New Amst. Cas.	10	1.50	7	8	
New Brunswick	10	.50	6	7	
New World	10	—	4	5	
North Amer. L.	5	—	3	4	
North River	2.50	.60	7	8 1/2	
N. W. National	25	—	45	55	
Occidental	10	—	8 1/2	9 1/2	
Pac. Mutual	10	2.00	19 1/2	21 1/2	
Phoenix, Conn.	10	2.00	40	42	
Prov. Wash.	10	.80	14	16	
Sprgld. F. & M.	25	4.50	47	49	
St. Paul F. & M.	25	6.00	99	103	
Sun Life	100	—	180	210	
Travelers	100	16.00	200	215	
U. S. Fire	4	1.20	14	16	
U. S. Fld. & G.	2	—	2 1/2	3	
Westchester	2.50	1.00	10	12	

W. J. Dalton has been appointed resident adjuster of the Fire Companies Adjustment Bureau in the Haverhill, Mass., branch. He has had some 20 years' experience, was formerly in the Worcester office and more recently with the Boston office.

PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

PHILADELPHIA, PENNA.

Financial Statement

at Close of Business, December 31, 1932

ASSETS	
Stocks and Bonds	\$3,003,112.50
Accrued Interest	22,889.61
Cash in Banks and Office	837,131.06
Premiums Due and in Course of Collection	439,847.79
Reinsurance Claims on Losses Paid	3,341.52
Total Assets	\$4,306,322.48

LIABILITIES	
Losses Unpaid, Fire	\$175,997.00
Marine	165,192.00
	\$341,189.00
Premium Reserve, Fire	\$1,275,200.69
Marine	78,703.11
	\$1,353,903.80
Deposits Reclaimable on Perpetual Policies	35,205.23
Reserve for Taxes and Expenses	122,481.96
Capital	1,000,000.00
Surplus	1,453,542.49
Total Liabilities	\$4,306,322.48

The Security Values used in this Statement are Market Values as of December 31, 1932

Had we used the values authorized by the National Convention of Insurance Commissioners, the Security Valuations would have increased in the sum of..... \$ 536,245.00
making the Surplus..... 1,989,787.49
and the Assets..... 4,842,567.48

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Traveling Editor's Comment
About Situation in the Field

A member of the editorial staff of THE NATIONAL UNDERWRITER in a visit through the field made some observations that are of interest and which are herewith presented.

GOOD EYE FOR BUSINESS

One of the most intelligent accident and health agents met on the trip was the proprietor of a drug store. Everybody in his community knows he sells this insurance. He talks it to his customers when they come in though he does not make himself a soliciting bore. He knows how to solicit the business. He understands its finer points. He knows how to make the most of claim payments. It is a good guess that he is making more money out of his insurance business today than he is out of his drug store. In this particular small town, he was certainly the best equipped accident and health man.

* * *

AGENCY SERVICE REQUIRED

Probably the most discouraging encounter in an insurance office is a young man, seemingly endowed with a normal supply of energy and mental powers, who sees no necessity for equipping himself to become a real agent. All he sees today in the insurance business is the idea of selling policies and making commissions. The thought that there are special ways of serving his clients, of making certain that the insurance the client buys really does the job it is in-

tended to do, does not penetrate his mind. He is thinking in terms of self and has overlooked the sales possibilities of special service. His business consists largely of dwelling houses with a few small mercantile risks and while it may be profitable to the companies, it will never put the young man into the front production ranks.

In contrast it is most encouraging to meet the many men in offices who recognize their responsibility to their clients, who are on the alert to discover ways of offering well fitted protection to their clients, who know the value of the right kind of contacts and then are conscientious enough to see their own obligations when they take advantage of these contacts to obtain orders for insurance.

* * *

UNION INDEMNITY FAILURE

The lessons of the Union Indemnity failure have been ground deeply in some communities. In one city, the agent, representing the company, had been bedfast for a year. His wife was looking after the business. They were having a hard struggle. She anticipated what was coming several months before by beginning to shift her business but she had not completed the work. The loss for this agency, while not large in dollars, was a very severe blow in the circumstances. Every agent in that city knows what has happened. An agent today is cautious and serious when looking over his company list.

fecting the standing of insurance companies a misdemeanor. Should similar action be taken by the assembly the measure would undoubtedly receive the signature of Governor Lehman. The insurance business has been cursed with whisperings, notably in the past few months. Stories of this character, usually without the slightest foundation in fact, added not a little to the burdens of officials. Assuming that the bill in question becomes a law, any broker or agent indulging in unwarranted reports would be disciplined by having his license cancelled while his further punishment would be attended to by the district attorney.

Ben Adams, well known Covington, Ky., insurance man, has been appointed conservator for the First National Bank of Covington. He has been a director of the bank and has also been prominent in building and loan associations in that city.

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The National Underwriter

April 6, 1933

CASUALTY AND SURETY SECTION

Page Twenty-three

Mortgage Backers Get Indirect Aid

Details of Plan Slow in Reaching
Field, But Relief Is
Substantial

R. F. C. MACHINERY USED

Government to Advance \$55,000,000 to
Mortgage Houses Whose Issues
Were Guaranteed by Sureties

Details of the arrangement with the Reconstruction Finance Corporation, under which surety companies which have mortgage guarantee liability will get relief, were slow in reaching the field. A sketchy outline of the program was announced together with the statement on the part of some of the interested surety companies that their problems, so far as mortgage guarantees were concerned, were solved.

The companies most vitally interested are the National Surety, United States Fidelity & Guaranty and Maryland Casualty. Officials of those companies have been in Washington for some time attempting to work out with the government some plan for relieving them of their mortgage guarantee liabilities.

Mortgage Houses Interested

Most of the mortgages which were guaranteed by the surety companies were those issued by mortgage houses to the public, either in the form of mortgages or collateral trust certificates. The surety companies have looked first to these mortgage houses for payment of principal and interest and then to the mortgagor. As real estate conditions became more and more demoralized, the mortgage houses were unable to meet obligations, on which the mortgagor defaulted. Most of the surety companies through subsidiaries were compelled in some cases to take over real estate on which the mortgagor defaulted and on which the mortgage house could not make good and in other cases to renew the mortgage and pay off the mortgagee or holder of collateral trust certificate.

In addition, the surety companies have been putting up loss reserves from month to month to meet impending liability, because of anticipated default of maturing mortgages. That, of course, has been burdensome, coming on top of declining security values and heavy losses on other lines.

Advance Is \$55,000,000

The Reconstruction Finance Corporation, according to reports, is arranging to advance to mortgage houses \$55,000,000, with which to compromise mortgages and collateral trust certificates that were guaranteed by surety companies. There will be no direct advance to the surety companies and so far as can be learned there will be no advance to the subsidiary companies of the

Fetzer Urges Revamping of Compensation Rating

A complete revamping of the present compensation rating plan is advocated by Wade Fetzer, head of W. A. Alexander & Co., Chicago, and vice-chairman of the Fidelity & Casualty, in the current issue of "The Casualty Insuror." The cumbersome method of basing rates on pay-rolls should be replaced by a new simplified system patterned after the methods used in fixing group life insurance rates. Under this retrospective system, as Mr. Fetzer terms it, risks large enough to qualify under the present rules of experience rating, would be reviewed six months after expiration of the policies and the experience studied by statisticians. The aggregate of compensation and medical payments and the estimated payments to be made as well as the actual wages expended or man hours of employment would be calculated. In the final development complete rates would be computed on a formula of rate making approved by the supervising authorities of the state in which the risk is located and the actual premiums adjusted in accordance.

Subject to Reasonable Minimum

The final rate would be subject to a reasonable minimum necessary to provide an average over a period of years, subject also to the maximum rate at which the contract is written. The formula of rate making, in Mr. Fetzer's opinion, would be the same as used and accepted by the state in the development of approved risks. The initial rates would be high enough to be certain that the companies would not experience an underwriting loss.

The value of Mr. Fetzer's plan is that it would make compensation profitable to the carriers and would encourage em-

surety companies, which have been handling the mortgage guarantee liability. The understanding is that one or more new mortgage houses will be organized to take over the various mortgage houses, whose mortgages were guaranteed by surety companies. Thus the loans from the R. F. C. can be directed through fewer channels.

These new mortgage houses will then seek to retire guaranteed mortgages, by offering the mortgagee 40 percent in cash for the instrument and 60 percent in certificates of participation in all the assets of the mortgage companies. Many of these guaranteed mortgages are held by banks, which took them in as collateral and later obtained possession. The belief is that the banks will be willing to give up these mortgages and collateral trust certificates for 40 percent cash and 60 percent in certificates of participation.

Relief Is Substantial

Whether these R. F. C. funds may be used to take up guaranteed mortgages of all kinds or merely guaranteed mortgages on homes has not been ascertained.

If the program is carried through, according to the general outline as now understood, surety companies will be

ployers to cooperate for accident prevention. It would also eliminate cut-throat competition, deviation from manual rates and twisting if all companies would charge the same initial rate, and put stress on accident prevention and claim handling. Producers could well afford to share with the company the diminishing rate of compensation on renewal, said Mr. Fetzer, because they would be in position to devote more time to developing new business in place of fighting to hold old accounts.

Present System Too Complicated

Mr. Fetzer criticized the present compensation rating system as too complicated. One of the important considerations in rating is to have public support and the only way to get this is to make it simple so that the public can understand it.

The payroll basis of rate making is unstable and open to controversy. In addition it offers innumerable opportunities for applying some under cover scheme to reduce the premium below that which the carrying companies know it can be carried for. Mr. Fetzer declared that it is fair to state that 80 percent of all risks with an annual payroll exceeding \$100,000 are written on a basis under manual, or in other words, the insurance company denies itself the full premium indicated for a normal risk on the theory that the current year will show a history of loss ratio under normal.

Mr. Fetzer does not favor either decreased or graded agents' commissions as he does not feel that this is the solution of the problem.

All those interested in compensation will find the detailed article in "The Casualty Insuror" well worth reading.

relieved of many future obligations and will probably be able to take down loss reserves that have been set up to meet impending default.

A statement as to the face amount of mortgages that have been guaranteed by surety companies is not available, but it is understood to run well over \$100,000,000.

Although the National Surety, U. S. F. & G. and Maryland Casualty are the most heavily interested, other surety companies went into the mortgage guarantee business to varying extents, either

(CONTINUED ON PAGE 28)

Beha Condemns Campaign of Malicious Whispering

General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters has issued a scathing condemnation of the whispering epidemic in progress in insurance as well as in many other business lines, and which, he holds, "is doing much to retard economic recovery the country over."

Custodian Named for Central West

J. C. Ketchum of Michigan Department Takes Over Detroit Casualty Company

MANAGEMENT GIVES UP

Affiliated Wayne Surety Also Involved
—Depository Bond Uncertainties
Blamed for Troubles

DETROIT, April 5.—Commissioner Gauss of Michigan Tuesday took over control of the Central West Casualty and Wayne Surety and placed J. C. Ketchum, examiner with the insurance department, in charge as custodian-manager, making him a special deputy commissioner.

The writing of new business was immediately suspended and all payments for losses or return premium were temporarily suspended. There has been a heavy demand for cancellation of policies and for the return of premiums during the past few weeks, Mr. Ketchum stated, brought about by a "whispering campaign."

Preliminary examination indicates that the companies are solvent when known claims are deducted, but would be hopelessly involved should a large percentage of their depository bonds become liabilities. No one knows yet what the outcome of the depository bond situation in this state will be. Cancellation of policies will be accepted by the custodian-manager and the pro rata share of the premium will be entered as a credit on the books, to be met with the other obligations.

Act for Protection

The action against the two companies was taken on bills of complaint filed by Mr. Gauss, claiming that it was questionable whether the companies would be able to meet obligations to both policyholders and creditors if called upon to do so immediately and that it was deemed best for the protection of those involved that the assets of the companies be conserved. The situation results from the acute banking conditions in Michigan, Mr. Gauss said.

The directors of the Central West met last week and resolved to request Mr. Gauss to act in their case if efforts to reinstate their casualty business were unsuccessful. The company issued \$18,000,000 of surety bonds.

Officers Give Up Ship

The bill against the Wayne Surety set forth that the action had been recommended after a three-week investigation of the company's books, showing \$1,600,000 worth of surety business of indeterminate status and \$2,800,000 of other surety business with a capitalization of \$280,000. The custodian will be removed should the company later prove (CONTINUED ON PAGE 20)

Chicago Agency Organized to Sell Blindness Coverage

LIFE COMPANY IS CARRIER

Single Premium Policies, Inc., Headed by Kessler, Well Known Motor, Refrigerator Executive

Single Premium Policies, Inc., has been formed in Chicago to sell in many states a blindness policy underwritten by the Lincoln National Life of Fort Wayne, Ind.

H. T. Kessler is president and general manager, a man well known in the motor and refrigerator trade as a sales executive. The policy form has already been approved in Illinois, Indiana, Michigan, Wisconsin, Ohio and California.

Plan Broader Scope

Tentative plans call for the agency concern in time to broaden its scope to sell single premium annuity contracts, of various types, but at present the company will confine itself to the blindness annuity.

The policies will be available to men, women and children ages 5 to 65, rates being graded by ages. The policy guarantees to pay a monthly income of \$100 for life in case of 90 percent blindness, no matter what the cause. Policies for lesser amounts of \$50 and \$25 monthly annuity payment will be written. No medical will be required as a rule, although in certain cases the privilege is retained of demanding one.

The \$100 and \$50 monthly income policies will be sold generally on the single premium basis, but may be purchased for a down payment of one-fourth and the balance monthly over a period not to exceed nine months, with a small carrying charge. This will complete the premium payments for life.

Policy Non-Forfeitable

The policy cannot lapse, but remains in force during the lifetime of the insured. If instalment payments cannot be completed, the contract automatically will become paid up for a reduced amount equal to the monthly indemnity that the actual premium paid, less a small surrender charge, will purchase.

Plans call for an agency force of 200 persons trained to the most up to date merchandising methods within a few weeks. A class of 50 was turned out last week and another 50 started this week.

Mr. Kessler's Experience

Mr. Kessler was president of the Copeland Refrigerator Company for more than three years. Prior to that, from 1926 to 1929, he was supervisor of branches of the General Motors Truck Corporation, and from 1923 to 1926 was vice-president of the Yellow Cab Sales Corporation in charge of the Drive-Yourself and cab sales. Prior to that he was assistant sales manager of the Mitchell Motor Car Company.

The insurance angles of the business are being cared for by an expert in this line. Mr. Kessler's specialty is modern merchandising methods. He sees a large market for the blindness policies, due in part to radical changes and restrictions in disability clauses in connection with life insurance policies.

The agency company will advertise by radio and newspapers. Novel sales methods have been devised and tested successfully in actual interviews. The program calls for direct mail, free lance salesmen, group selling, assigned territory men, a woman's department and a daily training school during organization of a sales force. Mr. Kessler will be in charge of the school, a morning meeting being devoted to explanation of the coverage. Applicants who qualify in this first session will attend an afternoon session the next day devoted to sales

Charles A. Dawson Gets First Prize This Week

Charles A. Dawson, head of Dawson Insurance Agency, Fargo, N. D., was awarded the first prize for the best claim story this week. His office had an assured make a claim for a broken window in his automobile caused by some boys returning from a squirrel hunt. A 22-caliber rifle was fired, a bullet passing through the garage and breaking an automobile window. Claim is made under the explosion coverage on the theory that it was the explosion which discharged the bullet, causing the damage.

Unemployment Fund Men Are Arrested in Wisconsin

Two officials of the so-called Metropolitan Employment Assurance Bureau of Racine, Wis., an organization whose activities have been reported several times in THE NATIONAL UNDERWRITER, have been arrested charged with operating a confidence game and selling insurance without a license. The arrest followed an investigation conducted by District Attorney John Brown of Racine. The men arrested are G. S. Paine and F. R. McFarland. C. E. Dickens of Milwaukee is also being sought.

The outfit operated with offices in a Racine hotel. Contracts were sold to about 400 persons in Illinois, Indiana, Iowa and Wisconsin.

Warrants were based upon complaint of C. C. Read of Moline, Ill., who answered an advertisement for district agents in the Chicago "Tribune," and who sent the bureau \$25 as a cash bond.

The bureau was incorporated June 7, 1932. Premiums ranged from 50 cents to \$3 per month, and subscribers were promised from \$3 to \$18 per week in benefits if they were thrown out of work. Seventy percent of the premiums paid were to go into a trust fund. Investigation failed to show any trace of the trust fund, which was undoubtedly spent for operating costs and personal expenditures. Complaints were made last September to the Wisconsin insurance department and the Wisconsin industrial commission.

On March 14, Judge Hoppmann of Dane county circuit court at Madison granted an injunction restraining the company from selling the "unemployment insurance."

It was indicated about \$1,165 had been obtained from men who had applied for positions as district managers and sent from \$20 to \$50 as a surety bond.

Fleet Hearing in Wisconsin

MADISON, WIS., April 5.—Representatives of many of the companies writing automobile insurance in Wisconsin attended a hearing on fleet insurance opened by Commissioner Mortensen Monday. No rate schedules have ever been announced for such insurance and the claim is that some of it is being written at far too low rates, constituting a discrimination against other classes of automobile insurance written by the same companies.

Emergency Exemption

TRENTON, April 5.—Under a bill just signed by Governor Moore of New Jersey, casual employment under emergency relief administration will not be compensable under the New Jersey compensation act.

methods. Prepared presentations will be used.

The agency company has \$75,000 capital fully subscribed, made up of \$25,000 preferred and \$50,000 common stock.

Occupational Automobile Rating May Be Extended

THREE COMPANIES USING IT

Rate Concessions Are Offered to Assureds in Preferred Occupations Under the New System

Automobile insurance men believe that the occupational rating plan of the type recently introduced by a well known automobile specialty company and which has been used selectively for some time by the General Accident and generally by Lloyds of America, is destined to become more general, especially among nonconference companies. The plan applies to automobile liability and property damage.

The latest company to adopt the plan grants a rate reduction of 25 percent to persons in preferred occupations who do not use their automobiles in business. A reduction of 10 percent is granted to persons in preferred occupations, who do use their automobiles in business. Then there is class C, members of which are charged an extra premium of 25 percent, which means that this classification will not be written at all.

Credit of 20 Percent

Lloyds took over the occupational plan from the Constitution Indemnity. A rate credit of 20 percent is allowed to persons in preferred occupations who do not use their automobiles in business. However, manual rates are charged to persons in preferred occupations who do use their automobiles in business. Class C motorists are debited 20 percent.

The question arises whether the statement that an automobile is not used for business purposes is a warranty. The Lloyds policy is issued with an endorsement covering the occupational question. This is not regarded as a warranty. If a loss should occur and it should be discovered that it was being used in business, contrary to the statement in the endorsement, the extra 20 percent of the premium would probably be collected before the loss would be settled.

Persons who merely drive their automobiles to and from their offices are not regarded as using their automobiles in business, according to the classification set up of Lloyds.

The occupational classification plan apparently is meeting a good response from agents and brokers and if it becomes popular, probably other nonconference companies will fall in line.

Milenge Plan Adopted

The Builders & Manufacturers Mutual Casualty of Chicago has been advertising a new rating plan for automobile public liability and property damage based on mileage, which is being introduced in the Chicago metropolitan area. The company is interested in acquiring data on the number of miles per accident in Chicago, so that rates eventually may be projected more or less scientifically on that basis.

At present persons in preferred occupations are allowed a 30 percent reduction in rate if they drive 6,000 miles or less per year. For every 500 miles additional that is driven, the deduction allowed is 5 percent less, so that a person who drives 7,500 miles is charged manual rate.

The Hooper-Holmes Bureau has been engaged to make inspections and check the mileage. On new cars, manual rate will be collected and a rebate allowed at the end of the year if the mileage is 7,000 miles or less. On old cars, where there is any doubt about the number of miles driven the year previous, the company will attempt to protect itself by allowing a smaller deduction than might be warranted, and will make a return at the end of the year if the mileage justifies it. The company recognizes that the element of judgment will enter into this

Seek to End Commission Reduction on Fleet Risks

LOS ANGELES EXCHANGE ACTS

Resolution Being Circulated for Signatures—Equity Rating Found Responsible for Practice

LOS ANGELES, April 5.—The Insurance Exchange of this city is seeking immediate discontinuance of the practice followed to some extent in southern California of arranging automobile fleet ratings on basis of varying commissions to agent or broker. A resolution is being circulated among members for signature and later the support of companies writing automobile fleets will be sought.

The movement is the result of conferences held the last few weeks by a committee of the exchange, of which S. L. Carpenter, Jr., of Rule & Sons, is chairman. It is hoped that ultimately a universal agreement between companies and agents in Los Angeles will result in elimination of this practice.

Appeal to National Bureau

The resolution explains the situation in detail and includes a clause asking the National Bureau of Casualty & Surety Underwriters to agree that no quotations or rates will be published by that bureau based on other than standard commissions of 17½ percent on liability and 20 percent on property damage and collision in southern California. Agents and brokers not members of the exchange are invited to subscribe to the resolution.

PRODUCT OF EQUITY RATING

It is explained by a branch manager of the National Bureau that the variation in commissions occurs only in cases on which equity rating is sought. In such cases the practice of companies frequently has been when an agent or broker sought an equity rate on an automobile fleet to grant the credit, subject to the producer accepting less than standard commission. The commission reduction varies with the individual risk, and is based on the producer absorbing a percentage of the reduction in premium made possible through equity rating and the company absorbing the remainder.

Fear Blanket Reduction

The companies' position is that equity rating, besides being a means of adjusting inequalities due to better than normal experience for the classification, is also a method of meeting non-Bureau competition; that this being the case, the producer should be willing to bear a part of the burden of rate reduction. The fear of agents and brokers, however, is that insurance commissioners might decide that if producers could operate on reduced commissions on some risks, they must be getting too much compensation generally on this coverage, and an effort might be made to put in force a blanket commission reduction on this line.

May Aid Harriman Depositors

NEW YORK, April 5.—Reports that the New York Clearing House committee has agreed on a tentative plan for aiding depositors in the closed Harriman National Bank of this city heartens surety company officials who have heavy depositary bond covers on the institution.

plan and that a few policyholders may manipulate the speedometer to get a few dollars' credit. However, the management feels that on the whole the plan will work out.

Dividend action of the American of Newark will hereafter be considered semi-annually, April and October, instead of quarterly as heretofore.

Automobile Liability Rates Advanced in Four States

BLAME BAD LOSS EXPERIENCE

Unusually Heavy Ratio Encountered in Arkansas, Mississippi, Montana and South Dakota

NEW YORK, April 5.—Assureds in Arkansas, Mississippi, Montana and South Dakota must pay higher rates for automobile public liability coverages under a new schedule, applicable to passenger cars, trucks, buses, and all commercial motor vehicles in the states named, determined upon by the National Bureau of Casualty & Surety Underwriters. Former property damage rates are continued, save in Montana, where a slight advance is imposed.

Rates upon all forms of indemnity within the jurisdiction of the National Bureau are predicated upon experience; states showing heavy loss ratios being called upon to pay accordingly. In each of the four states the loss record was bad, leaving the companies no alternative but to advance rates sharply.

Heavy Loss Ratios Occur

In Arkansas the average loss ratio on standard limits policies in connection with private passenger cars during the five year period 1927-1931 was 108 percent, whereas the permissible ratio is 61.5 percent. The commercial vehicle record was still more unfavorable, the five years loss ratio being 141 percent. As indicating the trend, in 1930 it was 127 percent but in 1931 it was 258 percent. The average loss cost per car for policy years 1930 and 1931 was \$21.22, whereas the old rates contemplated \$13.92. The new rates will bring the average loss cost of the state up to \$19.24. On commercial vehicles, the average loss cost for the policy years 1930 and 1931 was \$29.92, compared with the \$16.86 underlying the old rates, and \$20.82 underlying the rates that have just gone into effect.

Montana Experience

The average loss ratio for private passenger cars in Mississippi for the five years was 114 percent. For commercial public liability, the average loss ratio for the five years was 129 percent. The average loss cost for Mississippi has been \$19.03, but the old rates contemplated only \$15.17. The new rates contemplate a state average of \$17.96.

In Montana, the five year loss ratio was 90 percent for private passenger cars, and for commercial public liability, 82 percent. The loss ratio for 1930 was 71 percent, and in 1931, 176 percent. The loss cost for the entire state for policy years 1930 and 1931 averaged \$19.23. The old rates provided \$12.96 for that period. The new rates contemplate a loss cost of \$17.30. For property damage the loss ratio for the five year period was 73 percent. The average loss cost for policy years 1930 and 1931 averaged \$5.78 as compared with \$5.28 produced by the old rates. The new rates will produce \$5.66.

South Dakota Experience

In South Dakota the average loss ratio for the five year period for private passenger cars was 83 percent. It was 85 percent in 1930, but in 1931 it jumped to 112 percent. For commercial cars, the five year average loss ratio was 94 percent. The average loss cost for policy years 1930 and 1931 was \$10.69. The old rates contemplated \$7.90 for this period. The average loss cost contemplated by the revised rates is \$9.23. The average loss cost for commercial cars for policy year 1930 was \$14.09 and for 1931, \$11.85, or an average of \$12.97. The old rates contemplated \$9.75 as the loss cost, and the new rates raise this to \$11.70.

Wisconsin Compensation Pool Plan Being Revised

MILWAUKEE, April 5.—The Wisconsin compensation insurance board recently ruled that the pool plan as provided in the Wisconsin statutes relating to compensation underwriting shall be put into operation immediately. The rules governing the insuring of risks as required by chapter 327, laws of 1931, state that any risk, that in good faith is entitled to insurance under the Wisconsin compensation law and which has been declined by three or more bureau members or presented to the bureau by the industrial commission, shall be insured in certain prescribed manner.

Risk Insurability Stressed

At a meeting about a month ago the Wisconsin rating bureau discussed the circumstances surrounding the administration of the so-called "rejected risk" plan. The voluntary plan showed signs of breaking down for about six months, with the impetus from the increasing undesirability of "stone-cutting" risks and resultant silicosis losses. Opinion favored finding some way out of the difficulty without having to resort to the operation of a pool to divide the losses as prescribed by law, and making every effort to preserve the voluntary feature of the scheme. Non-stock companies were more favorably inclined toward discarding the voluntary feature of the plan and immediately invoking the feature which requires the division of losses.

A resolution was adopted to amend the rules, providing for a period of ten days between the date of receipt of check and date of coverage giving time to determine that the risk is in good

faith entitled to insurance. The rules were further revised to read:

Notify Bureau in Five Days

"In such event, the designated company shall be bound automatically by the action of the general manager, and shall forthwith proceed to issue a policy on the basis of the established rates and initial premium."

If the designated company does not consider the assigned risk in good faith entitled to insurance, it shall so notify the bureau within five days after the assignment has been made. The bureau shall then, within five days, arrange for a joint inspection to be made by the company, bureau and industrial commission. If, after such inspection, the commission concludes that such risk is entitled to insurance, the designated company shall then issue a policy effective as of the date indicated by the bureau's assignment.

At a recent meeting of the governing committee there was a discussion of the difficulties encountered in administering the voluntary plan, and of the pool idea.

The stock members were opposed to a pool to be administered by the bureau wherein policies would be issued on behalf of all companies and the risks would be serviced by assigned companies. They favored further effort to persuade members of the compensation board to permit the continuance of the present voluntary plan with added restrictions.

The non-stock companies leaned toward the pool plan, embracing these principles:

A pool to be created wherein policies

Michigan Receivership Invalidated by Court

LANSING, MICH., April 5.—Administering of a Michigan receivership for the Southern Surety of New York by the insurance commissioner was illegal and void according to an opinion of the state supreme court, holding the Equitable Trust Company, Detroit, the rightful receiver. Ralph Wade, second deputy commissioner, has been the active Michigan receiver for some months, under instructions of C. D. Livingston, former commissioner, who applied for receivership in Ingham county. Michigan assets were impounded and a list of Michigan claimants compiled in an effort to secure a fair apportionment of assets among all Michigan creditors. The court finds that the Wayne circuit court took jurisdiction prior to the Ingham county court's action and appointed a receiver. In view of the fact that the trust company is now in charge of a conservator, many additional complications are foreseen.

be issued by the bureau on behalf of all companies. Bureau to collect advance premium. Governing committee of bureau to arrange for servicing of risks through elected member company or companies. Employes to be examined prior to insurance in pool. Periodic examinations to be made as may be determined by governing committee. Rates to be on basis of 75 percent loss ratio and 25 percent expense ratio. Rates to be revised annually on basis of loss ratio of preceding three years of all risks written in the pool. Until three years are available, one or two years shall be used subject to such modification, if any, as the rating committee may determine.

May Write Direct

Relativity of rates of various classifications represented in the pool to be governed by relativity of rates as established regularly for manual classification. If loss ratio exceeds 75 percent, the excess to be contributed by all companies in proportion to their writings in Wisconsin. If loss ratio is less than 75 percent, the amount of excess is to be set aside for future losses. Any company shall be permitted to write as direct business any risk in the pool. Records of risks in pool to be open to all companies. Governing committee to appoint claims committee of two stock and two non-stock companies to investigate all questions and disputes concerning claims, and the determination of reserves on open claims, and report its findings to governing committee. Rules subject to revision or amendment every six months.

In addition the following procedure was suggested and received favorable comment:

A dual arrangement be effected whereby the stock companies on one hand and the non-stock on the other, would handle their respective assignments on any basis they may see fit, either by strict conformance to the letter of the law as respects reinsurance of losses, with companies issuing individual policies and servicing own individual assignments, or by a pooling arrangement where policies would be issued and serviced on behalf of and in the name of the members participating in the pool. Such arrangement would virtually mean the operation of two pools, the non-stock pool would have assigned to it about 65 percent of the total premiums.

A further meeting has been called for April 11. George F. Hayden, general manager of the bureau, pointed out the necessity of deciding what steps shall be taken as respects risks seeking coverage since the plan of reinsuring losses became operative. In this regard it was decided that Mr. Hayden use his own judgment in extending coverage on the understanding that the coverage be accepted by the employers pending further and more details.

CHANGES IN CASUALTY FIELD

Fidelity & Casualty Changes

Louisville Office to Supervise Kentucky, Tennessee and Indiana—McComas and Stephenson Transferred

LOUISVILLE, KY., April 5.—The Fidelity & Casualty office at Louisville is now supervising Kentucky, Tennessee and Indiana territory. William G. McComas, assistant resident manager at Louisville, is being transferred to Nashville as assistant resident manager of a new office at that point. E. L. Stephenson, former assistant resident manager at Indianapolis, succeeds Mr. McComas at Louisville, where C. L. Nelson is resident manager. Mr. McComas has been with the Louisville office for 15 years. F. E. O'Brien, assistant superintendent of agents, was in Louisville in connection with the change.

Dimling with Humphreys

Henry Dimling has been appointed casualty manager of the Thomas V. Humphreys Agency's Los Angeles office. Mr. Dimling has been Los Angeles manager for Swett & Crawford. He was associated with the U. S. Fidelity & Guaranty from 1916 to 1926, advancing from inspection engineer to casualty manager of the Los Angeles office. Later he managed the New York Indemnity's casualty department for three years, joining the Southern Surety at Los Angeles, and going with the Union Indemnity as associate manager in Los Angeles.

Takes on Lloyds of America

The well known general agency of Enck & Linnell in Minneapolis has taken on the representation of the

Lloyds of America. This office has been representing the London Guarantee for about a year.

Fidelity & Casualty Coast Changes

S. L. Boughn, field man for the Los Angeles branch of the Fidelity & Casualty, has been transferred to San Diego. He will cover Imperial and San Diego counties. L. G. Blake, special agent at Phoenix, Ariz., has been transferred to the Los Angeles office, the former location being closed.

Groel with Alliance Casualty

NEWARK, April 5.—John F. Groel, who has been in the casualty and surety field for the past 15 years, has joined the Alliance Casualty at the Newark office. Mr. Groel first entered the surety field with the American Surety and later joined the Standard Accident. For three years he was Newark manager of the Home Indemnity and Southern Surety, resigning that position to join the Standard Surety & Casualty in Newark.

Starts Own Agency

James B. Hall has resigned as executive special agent for the Indemnity of North America in Illinois to form his own insurance agency in Cleveland. He was connected with the Indemnity of North America for about five years, having been located in Chicago several months and before that having had his headquarters in Milwaukee.

Casualty Changes Notes

Oppenheimer Brothers of Kansas City have taken on the Western & Southern Indemnity.

Maurice Cohen, for four years claim adjuster with the Bankers Indemnity in Newark, has resigned and gone into business for himself.

Premiums and Losses in 1932 in INDIANA on All Casualty Lines

	Total	Prem.	Losses	Auto.	Liab.	Other	Liab.	Work.	Comp.	Fidelity-Surety	Plate	Glass	Burglary-Theft	Prop. D.	& Coll.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	Prem.	\$	\$	Prem.	\$	
Actna Casualty	354,633	163,327	66,600	41,794	1,095	227	152	36	101,279	29,217	17,303	5,436	47,533	14,172	106,895
Actna Life	378,598	302,382	48,854	30,474	47,670	15,402	136,912	165,239	1,625	2,835	—920	1,029	536	1,190	59
Alliance Casualty	18,225	6,674	6,285	3,761	1,150	125	1,825	1,625	—920	1,029	536	1,190	59	3,152	646
American Auto	123,306	88,620	19,180	86,576	—	—	329	404	—	5,122	373	49	—	2,798	1,640
Amer. Bonding, Md.	5,613	373	—	—	—	—	—	—	—	—	—	—	442	—	—
American Casualty	8,964	5,375	3,854	627	204	—	—	—	—	211	234	141	180	2,085	1,975
American Employ.	164,132	100,311	29,106	20,702	11,988	1,233	77,111	56,375	14,641	8,435	1,005	331	4,123	839	18,669
American Indem.	9,383	13,588	—2,158	3,484	—	—	—	—	6	—	—	—	—	—	6,524
American Motorists	54,552	14,610	31,634	8,524	58	—	325	16	—	—	—	121	—	9,298	9,298
Amer. Mut. Liab.	175,813	140,825	9,893	14,647	9,587	303	147,964	123,560	1,430	—	2	—	93	51	6,842
American Reina	6,596	8,178	1,552	5,835	441	—	434	2	3,182	177	—	—	325	292	164
American States	258,054	76,616	131,183	56,025	—	—	—	—	—	—	—	—	—	113,052	20,326
American Surety	242,525	110,918	13,160	1,372	2,327	191	4,245	915	161,029	84,527	2,610	760	52,374	21,330	6,779
Assoc. Indem.	2,225	25,918	1,418	12,836	187	225	1,577	6,470	30	—	176	131	69	606	—1,166
Auto-ist Mutual	17,406	8,229	5,918	958	—	—	—	—	—	—	—	—	—	9,332	1,306
Bankers Indem., N. J.	15,604	9,893	7,462	4,183	1,046	30	1,441	1,643	611	2,560	614	369	575	3,672	1,100
Belt Casualty	5,616	1,924	3,268	1,197	—	—	—	—	—	—	—	—	—	1,973	676
Bituminous Cas.	192	—	—	—	3	—	180	—	—	—	—	—	—	—	—
Bldrs. & Mfrs.	47,739	57,258	4,056	46	4,137	33	33,136	50,888	—	—	—	—	—	—	5,168
Car & General	3,138	9,158	1,820	1,438	162	—	—	95	4,222	—	248	85	143	859	664
Celina Mut. Cas.	8,940	10,429	4,410	6,544	—	—	—	—	—	—	—	—	—	3,564	3,069
Central Mutual, Ill.	21,020	11,067	17,342	6,245	—	—	—	—	—	—	—	—	—	2,837	3,944
Central States Mut. Cas.	44,077†	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Central Surety	53,770	16,715	39,869	11,230	84	—	1,402	485	1,122	—	2,829	2,331	101	171	8,116
Central West Cas.	11,393	5,188	3,323	1,061	2,187	510	2,052	1,045	291	1,605	1,121	175	737	1,075	731
Century Indem.	17,842	14,595	6,569	5,128	1,290	125	2,965	4,080	4,767	4,154	868	554	890	334	317
Columbia Cas.	11,595	20,911	—5,622	3,749	2,120	1,126	1,391	2,002	2,168	—3,239	1,567	648	2,803	2,005	2,649
Commercial Casualty	152,268	62,989	16,982	5,175	11,809	412	60,484	24,201	9,811	2,945	1,153	7,691	7,853	2,159	—
Connecticut Indem.	1,893	39	—	—	1,214	—	—	—	—	—	—	—	—	679	39
Consolidated Indem.	13,026	—87	4,502	110	56	—	—	—	—	6,203	—467	277	31	226	17
Continental Casualty	259,817	167,311	29,663	12,302	8,863	964	27,468	24,770	10,733	3,830	4,147	1,867	6,867	3,235	15,300
Eagle Indemnity	11,689	17,737	4,269	5,728	428	—	464	6,917	1,857	4,284	67	9	749	34	1,541
Employ. Liability	563,147	401,271	81,451	43,781	61,894	11,239	287,815	250,839	32,801	42,822	5,534	3,051	16,104	4,703	40,515
Employ. Reinsurance	80,578	49,654	44,300	15,235	1,626	—	2,022	1,099	9,949	9,489	—	—	732	130	2,188
European Gen. Reins.	99,625	73,485	9,758	7,033	3,674	—	123	—	19,665	12,044	—	—	33,802	3,969	1,271
Excess of America	15,656	7,813	4,448	2,934	1,074	—	848	2,832	6,967	1,740	—	—	723	35	975
Factory Mut. Liab., R. I.	2,804	132	1,517	—	—	—	—	—	—	—	—	—	—	1,597	132
Farmers Mut. Liab., Ind.	104,024	50,313	31,071	13,872	494	—	26,413	17,379	—	—	157	6	3,445	1,975	36,195
Fidelity & Casualty	386,927	222,251	63,735	45,074	23,019	10,437	91,972	92,243	74,127	13,180	9,999	2,443	30,599	27,696	32,719
Fidelity & Deposit	183,050	175,686	—	—	—	—	—	—	—	165,241	166,740	779	358	17,030	8,583
Fireman's Fund Indem.	6,420	3,153	2,061	821	515	33	334	456	1,582	—	373	191	451	11	1,055
First Reinsurance	7,909	34,546	952	—	457	—	—	429	—	—	—	—	494	—	414
General Accident	130,968	85,974	34,893	10,799	18,937	4,455	47,611	61,650	—	—	1,315	411	3,290	615	17,194
General Indem.	2,845	672	907	—	71	—	563	45	—2,653	160	3	63	88	213	25
General Reins.	60,847	65,516	10,278	981	1,914	—	873	4,798	25,101	41,814	—	225	7,563	267	612
Glen Falls Indem.	58,408	18,454	19,103	8,271	3,431	20	6,254	2,801	7,391	—788	1,858	424	2,834	560	10,541
Globe Indemnity	218,691	128,146	32,497	38,846	13,724	4,775	70,619	55,743	33,988	6,639	6,310	1,167	15,806	6,688	16,185
Great American Indem.	38,021	12,129	10,275	4,326	2,541	200	7,538	6,574	6,877	—1,301	1,198	498	3,045	2,129	4,501
Guarantee No. Amer.	1,376	103	—	—	—	—	—	—	—	1,376	103	—	—	—	—
Guardian Casualty	498	27	4	—7	—	—	13	—	472	27	—	—	—	16	—
Hdw. Mut. Casualty	120,513	52,475	33,104	17,670	3,070	210	45,962	20,399	—	—	4,502	1,943	3,831	799	32,869
Hartford Accident	450,300	297,918	55,842	27,406	6,951	134,624	113,254	81,256	68,194	5,514	2,569	32,681	23,946	59,417	21,739
Home Indemnity	51,124	31,559	20,674	14,060	2,100	470	9,882	10,008	4,079	165	712	235	1,430	11,434	5,128
Hoosier Casualty	241,118	97,770	76,067	33,665	—	—	—	—	—	—	—	—	—	45,810	10,612
Illinois Casualty	3,594	1,406	1,319	1,010	—	—	—	—	—	—	—	—	—	1,725	363
Ill. Mfrs. Mutual	33,997	23,545	1,503	300	3,133	1,527	27,503	26,979	—	—	—	—	—	1,534	663
Ill. Natl. Cas.	130,976	43,595	49,390	13,547	—	—	—	—	—	—	—	—	—	65,965	25,445
Indem. No. Amer.	102,970	81,837	45,751	30,839	5,240	733	11,760	18,826	9,793	14,987	3,561	1,723	6,387	4,554	17,653
Indiana Lib. Mutual	111,521	65,411	18,092	9,256	2,299	—	66,506	45,556	—	—	—	—	—	19,321	9,506
Inland Bonding	2,329	—	—	—	—	—	—	—	—	—	—	—	—	—	—
International Reins.	100,240	45,673	19,059	9,338	114	19,935	6,349	29,710	33,093	2,525	723	3,116	399	9,029	2,257
Liberty Mut. Mass.	45,848	33,305	7,257	8,881	2,457	581	33,742	29,423	—	5	—	19	—	2,368	419
Lloyds, N. Y.	20,520	11,462	1,878	3,828	1,738	—	2,471	2,604	7,577	1,353	4,590	1,894	1,469	78	1,107
London & Lancashire	78,611	82,651	19,488	10,234	3,516	2,532	8,278	5,095	15,414	53,534	3,232	1,646	7,147	1,884	12,421
London Guarantee	164,689	83,572	39,980</												

Companies Writing Other Classes of Business in INDIANA

(CONT'D FROM PRECEDING PAGE)

ACCIDENT AND HEALTH

	Prem.	Losses	Prem.	Losses
Abraham Lincoln	\$ 33,192	\$ 21,544	General Re.	2,951
Aetna Cas.	817	11,730	Gr. North. L.	510
Aetna Life	141,508	90,812	Great Western	203
Alliance Cas.	699	841	Loyal Prot.	18,375
Amer. Bankers	71,939	36,415	Mass. Acci.	4,235
Amer. Cas.	2,468	2,358	Mass. Indem.	239,465
Amer. Employ.	4,498	3,242	Mass. Prot.	1,068
Amer. Motorists	945	577	Metropol. Life	1,068
Amer. Reins.	198	195	Pacific Mutual	92,554
Assoc. Indem.	—15	—	Paul Revere Life	7,862
Bank Indem. N. J.	181	7	Reliance Life	420
Ben. Assn. Ry. Emp.	127,065	85,032	Sentinel Life	1,580
Blrs. & Mrs.	285	8	Standard Acci.	170
Bus. Men's Assur.	128,648	82,905	Travelers	1,546
Central Surety	245	—	U. S. F. & G.	192
Central West Cas.	6	—	Total, 1932	\$ 434,428
Century Indem.	736	112	Total, 1931	\$ 573,334
Columbus Cas.	4,710	11,974	500,350	—
Columbian Natl. L.	4,906	3,130	*Does not include Monarch Life figures.	—
Columbus Mut. L.	2,901	1,458		
Commercial Cas.	34,722	19,129		
Conn. General	35,465	17,820		
Cont. Cas.	127,103	101,295		
Cont. Life, Mo.	5,817	21,820		
Craftsman	9,739	5,086		
Eagle Indem.	1,695	273		
Employ. Liab.	22,979	16,650		
Employ. Reins.	19,649	19,221		
Equit. Life, N. Y.	12,385	6,987		
Europ. Gen. Re.	30,948	49,582		
Excess	65	—		
Farmers Mut. Liab.	6,247	747		
Federal L. & C.	9,848	3,943		
Federal Life, Ill.	51,187	35,822		
Fidelity & Cas.	20,066	17,596		
Fireman's Fund	27	25		
First Reins.	4,959	33,746		
General Acci.	6,263	4,351		
General Reins.	7,385	6,010		
Glen Falls Indem.	6,593	3,089		
Globe Indem.	20,993	7,785		
Great Amer. Indem.	2,044	479		
Great Northern Life	88,789	37,195		
Great Western	8,986	3,963		
Hdw. Mut. Cas.	125	—		
Hartford Acci.	17,681	5,221		
Home Indem.	803	69		
Hoosier Cas.	116,221	51,180		
Ill. Mut. Cas.	21,325	11,234		
Income Guar.	50,641	29,268		
Income Indem.	6,344	4,727		
Indem. N. Amer.	2,606	5,715		
Internat. Reins.	3,204	808		
Inter-Ocean Cas.	12,031	4,889		
Int. St. Bus. M.	15,931	6,535		
Kentucky C. L. & A.	171,856	79,159		
Lloyds, N. Y.	349	502		
London & Lanc.	9,960	3,293		
London Guar.	11,023	12,155		
Loyal Prot.	45,919	34,855		
Lumber, Mut. Cas.	2,807	4,907		
Maryland Cas.	14,090	5,736		
Mass. Acci.	2,113	472		
Mass. Bonding	37,528	19,398		
Mass. Indem.	3,217	3,292		
Mass. Prot.	11,423	8,188		
Mercer Cas.	27	—		
Metropol. Cas.	14,096	8,113		
Metropol. Life	288,592	182,759		
Mich. Mut. Liab.	277	—		
Midland Cas.	14,460	9,400		
Missouri St. Life	11,443	9,388		
Mutual Cas. III.	20,431	4,511		
Natl. Acci. & Health, Pa.	9,895	4,506		
Natl. Cas.	55,669	28,706		
Natl. L. U. S. A.	2,307	943		
New Amsterdam	5,461	2,327		
No. Amer. Acci.	45,574	18,168		
Norwich Union	470	15		
Ocean Acci.	13,920	23,325		
Ohio Cas.	1,469	189		
Ohio State L.	881	273		
Pacific Mutual	36,287	46,179		
Pacific States L.	1,133	1,805		
Peerless Cas.	6,412	2,092		
Phoenix Indem.	1,366	197		
Preferred Acci.	46,962	31,136		
Prot. Indem.	623	2,762		
Prov. L. & A.	76,838	34,497		
Prudential	44,117	19,489		
Reliance Life	8,790	2,542		
Royal Indem.	3,723	1,137		
St. Paul Merc. Indem.	2	—		
Security Mutual	16	—		
Sentinel Life	12,650	3,691		
Standard Acci.	20,760	17,121		
Standard Sur. & Cas.	106	46		
State Farm Life	3,488	1,352		
Sun Indemnity	1,424	7,020		
Superior L. H. & A.	3,780	676		
Travelers	325,994	342,054		
United Cas.	1,019	105		
United Ins.	52,558	23,527		
U. S. Casualty	24,729	11,526		
U. S. F. & G.	44,040	31,303		
Utilities, Mo.	62	—		
Wash. Natl.	105,895	50,041		
West. & Southern Indem.	5,595	4,347		
Wis. Natl. L.	10,711	5,281		
Yorkshire Indem.	15	—		
Zurich	11,640	9,634		
Total, 1932	\$ 32,962,407	2,001,292		
Total, 1931	4,420,813	2,666,245		
*Does not include Empire L. & A. figures.				

NON-CANCELABLE H. & A.

Aetna Cas.	\$ 158	—
Aetna Life	3,653	\$ 655
Bus. Men's Assur.	3,271	5,415
Columb. Natl. L.	2,998	12,000
Conn. Genl.	2,804	623
Cont. Acci.	3,577	25
Cont. Cas.	28,654	12,809
Craftsmen	4,681	2,014
Empl. Liab.	84	—
Empl. Reins.	—	4,073
Equit. L. N. Y.	5,803	4,050
Europ. Gen. Re.	85	643
First Reins.	202	500

STEAM BOILER

	Prem.	Losses	Prem.	Losses
Aetna Cas.	\$ 130	—	Ocean Acci.	1,561
Amer. Employ.	2,373	\$ 625	Royal Indem.	657
Columb. Cas.	854	—	Security Mutual	93
Cont. Cas.	527	—	Travelers Indem.	5,343
Eagle Indem.	449	—	Total, 1932	\$ 114,130
Employ. Liab.	287	77	Total, 1931	\$ 211,723
Fidelity & Cas.	16,158	1,996		
Gen. Acci.	1,335	—		
General Reina	10	—		
Globe Indem.	2,572	—		
Hartford S. B.	78,501	9,389		
Internat. Reins.	136	—		
Lloyd's, N. Y.	—660	—		
London Guar.	4,535	197		
Maryland Cas.	15,585	766		
Mutual Boiler	454	—		
Ocean Acci.	7,695	23		
Royal Indem.	2,872	—		
Security Mutual	24	—		
Travelers Indem.	24,929	3,774		
Total, 1932	\$ 169,035	\$ 21,122		
Total, 1931	\$ 210,165	30,726		

Merit Rating Plan in Canada

MONTREAL, April 5.—The Canadian Automobile Underwriters Association announces a 10 percent discount in automobile premium rates to drivers with a clear claim record for the past 12 months. This is retroactive to March 1. The driver must give information as to his experience for three years, and if he has had an accident or his license cancelled within 12 months prior to the date of the application, he must furnish full particulars. The 10 percent discount is applicable to liability and property damage collectively and not individually.

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Mortgage Backers Get Indirect Aid

(CONTINUED FROM PAGE 23)

directly or by way of reinsurance. Presumably, these other companies will also benefit by the program.

W. B. Joyce, chairman of the National Surety, stated the mortgage companies propose to give substantial amounts in cash on surrender of bonds, which will be especially welcome at this time to thousands of bond holders, and it also lifts a heavy load from the shoulders of the mortgage companies, which have been loaning money on small homes guaranteed by surety companies. It also relieves the surety companies of a heavy responsibility.

Mortgagor Is Protected

All the assets of the mortgage loan companies underlying the outstanding bonds, Mr. Joyce stated, will be pledged as security for the advance from the Reconstruction Corporation. The plan will give relief to the mortgage holders in placing half their investment in liquid form and will protect the balance of their investment with a guarantee by the surety company. The borrowers will benefit from a lower interest rate and suspension of foreclosures.

"The surety companies," he stated, "do not borrow any money from the R. F. C. but they are relieved from their immediate liability to the extent of the cash payment and the guaranteeing of the balance with a long maturity assures its final discharge without undue recourse to them. Before the plan was set up, it was established that the values to support its consummation were more than ample."

Statement by Davis

President E. Asbury Davis of the United States Fidelity & Guaranty issued the following statement:

"Unsettled conditions resulting from the general bank holiday have caused considerable speculation and uncertainty as to the situation of the surety companies with respect to their liability on bank depository bonds. It has been rumored that this company is heavily involved with such liabilities. As these rumors are entirely unfounded, I wish to make the following statement as to our position.

"As you are aware, for several years we have been restricting, reducing, and, in many instances, eliminating depository business heretofore on our books. As the result of this policy, our outstanding net liability represents business of a preferred character, and is much less in amount than one-third of the total previously carried. A very large percentage of the banks on which these guarantees are in force are now open on an unlimited basis. The net amount remaining on unopened, or banks operating on a restricted basis, is such a small percentage that it gives us no concern whatever.

"It is very gratifying to be able to announce that the mortgage companies for whom we have executed certain guarantees have received assurances from the Reconstruction Finance Corporation of financial assistance, which will minimize, if not entirely relieve, the guarantors of their liability under such guarantees."

While the issuance of mortgage bonds and certificates by corporations formed for that definite purpose has been in operation for fully half-a-century, the guaranteeing of the payment of principal and interest upon such obligations by surety companies dates from 1922, when one of the British casualty companies granted such indemnity to a mortgage selling corporation of Chicago, which appreciated that sales resistance would be lessened if the bonds it offered bore the guarantee of a reliable insurance organization.

From this modest beginning the business developed rapidly for the succeeding five years, four prominent surety

writing offices creating special departments for its handling. A number of other companies however assumed the business as reinsurance. As a general proposition guarantees were accorded only houses that loaned conservatively. The premium charged by the surety offices for their indemnity was one-half of one percent, the net return to the bond or certificate holder upon his investment thus being five or five-and-a-half percent, according to the interest rate carried on the obligation.

In 1928, interest in the real estate mortgage field on the part of investors began to wane, not through any question as to the worth of the underlying security, but rather because of the higher returns from stock speculation. Recognizing the change in sentiment and sensing a drop in the real estate market, the surety companies ceased their real estate guarantees nor have they since issued any such contracts.

The funds to be advanced by the government will be released only upon a showing by the mortgage companies that the present value of their assets constitutes sufficient security for the loans, but it is not anticipated that any difficulty will be experienced in this respect.

Workmen's Compensation

Oklahoma Fund Bill Passes

State to Underwrite Workmen's Compensation Starting July 1—Governor's Signature Needed

OKLAHOMA CITY, April 5.—With final passage Monday by the House of senate bill 151, Oklahoma will enter the insurance business by underwriting workmen's compensation risks. The bill must yet be signed by the Governor. The law will not become effective until July 1, 1933.

An appropriation of \$25,000 is made to start the law operating, and this is to be returned to the state treasury with receipts from premiums. Thus the state enters into competition with private companies. Municipalities and sub-divisions of local government are required to carry insurance in this fund, unless such risks are refused. It will be optional with private firms and corporations if they shall carry insurance in the state fund. Any attempts heretofore have been made to have such a law passed in the legislature.

Issue on Compensation Bond of International Reinsurance

SAN FRANCISCO, April 5.—Pending the filing of a new and satisfactory bond by the International Reinsurance the company's right to transact workmen's compensation in California was suspended by Commissioner Mitchell. The company was operating under the bond of the Union Indemnity for approximately \$489,000. Following failure of the Union Indemnity, demand was made by the commissioner for a new bond. The International Reinsurance then submitted a bond written in the General Indemnity, one of its subsidiaries. It was not satisfactory to the commissioner and further demand was made, with a five-day grace period in which the bond might be filed.

It is understood that representatives of the International Reinsurance requested Mr. Mitchell to accept the General Indemnity bond temporarily, pending negotiations by that company for reinsurance. Mr. Mitchell, it is understood, replied that he could not, in the opinion of his attorneys, grant the 60-day extension requested and suspension of the license for compensation writing followed.

Custodian Named for Central West

(CONTINUED FROM PAGE 23)

able to meet its obligations, the petition stated.

The officers of the Central West Casualty gave up the ship late last week and by action of the board of directors gave consent to the department's then contemplated action of filing a petition in Wayne county circuit court for the appointment of a custodian for the Central West and Wayne Surety. Assistant Attorney General Kirkby prepared the petition and waited for the signature of Commissioner Gauss. That formality could not be completed Monday because the department offices were closed, that being election day.

Mr. Kirkby pointed out that intervention on the part of the state is not necessarily to be construed as an admission of present or future insolvency of the companies, but is of a protective nature. Claims so far filed, he said, are not in sufficient volume to impair the companies but the uncertainty of the depository bond liability makes their status somewhat precarious.

Wayne Surety Holdings

In its 1932 annual statement, the Central West Casualty carried 4,940 shares of Wayne Surety at \$471,700, which was the actual cost. The market value of those shares was entered at \$292,695.

The Central West carried 1,380 shares of the Guardian Union group of Detroit at \$51,880, the market value stated at \$39,492.

Aside from those two investments, which might be regarded as doubtful, the portfolio of the Central West appears to be diversified and of high grade.

The company on Dec. 31, 1932, had deposits of \$80,304 in the Guardian National Bank of Commerce of Detroit; \$10,118 in the First National Bank of Detroit; \$10,122 in the Commonwealth-Commercial State Bank of Detroit; \$22,926 in the City National Bank of Chicago; \$6,669 in the Bank of America of San Francisco, and \$7,499 in the Bank of Montreal in Montreal.

Assets Are Analyzed

In its 1932 annual statement, the Central West reported assets of \$3,355,526, including cash \$182,109, bonds and stocks \$1,589,312, real estate and mortgages \$825,967, real estate \$13,160, loans secured by collateral \$67,796, agents' balances \$474,467.

Loss reserve amounted to \$806,260, premium reserve \$1,074,941, capital \$1,000,000 and net surplus \$327,001.

Net premiums in 1932 amounted to \$2,441,113 and total income \$2,556,822. Net losses were \$1,298,762, loss expense \$307,259 and total disbursements \$2,664,781. Underwriting expenses were \$1,176,213.

Publicity Is Blamed

The management of the Central West Casualty attributes its predicament to the harmful publicity which it suffered because of political inquiries directed at it and because of the Michigan bank moratorium, which focused attention on depository bond liability in Michigan of the Central West Casualty and the Wayne Surety. The management of the Central West Casualty resented this emphasis on its depository bond liability, contending that other surety companies are more deeply interested so far as depository bond liability is concerned in Michigan than is the Central West. The resolution of the Michigan senate calling for an investigation of the Central West Casualty caused more unfavorable publicity. Much business was canceled, agency connections were terminated and demand for unearned premium was presented. The officials of the company since Feb. 14 have been working under great strain. They have been working night and day in an attempt to stave off disaster.

Executive Vice-President Armstrong

Crawford went to Chicago and held a conference with general agents, advising them of the situation and telling them if they did not have confidence they could cancel their business, but they would be charged short rate. The services of three vice-presidents were dispensed with and the directorate was reduced in an attempt to effect economy. A deal was completed for reinsuring the California business of the Central West Casualty except bond business in the Continental Casualty. Negotiations were under way to reinsure the Canadian business. An agreement was all but reached to reinsure all of the Central West's business, except bonds, 100 percent in the General Reinsurance under a continuing contract that would permit the Central West Casualty to remain in business. The General Reinsurance, however, finally declined to complete such arrangements.

Ketchum Represents State

A representative of the Michigan department has been stationed in the office of the Central West Casualty for about five weeks. He is J. C. Ketchum.

In November, 1931, the state of Michigan became embarrassed because depository bond coverage was almost impossible to obtain for Michigan banks. Under the Michigan law, all collectors

of taxes were required to place the funds in banks upon which corporate surety is executed. Because such bonds could not be obtained, the collection of taxes was paralyzed. Conferences were held and the Central West Casualty was induced to write these bonds on banks that were members of the Bankers Group of Detroit and the Union Guardian group. In order to do this, the Central West Casualty was compelled to retire from the United States treasury list of approved sureties. The Central West started writing more depository liability in any one bank than 10 percent of its capital and surplus. It went into the field above its limits.

Wanted to Get Back

Last fall, however, the Central West Casualty desired to get back on the treasury department list and in order to accomplish that purpose the Wayne Surety was organized. That company was to continue to write depository bonds for another year, because there was still difficulty in getting such coverage, although by that time the Michigan law had been amended so that only state taxes had to be covered by depository bonds in corporate sureties. Other forms of taxes could be protected by the bank pledging securities. All of the Central West's depository liability in Michigan was being renewed in the Wayne Surety, I charge of Armstrong Crawford, who

so that the Central West could comply with the treasury department requirements.

Complications developed when the new state treasurer of Michigan refused to accept depository bonds of either the Central West Casualty or Wayne Surety. The management of the Central West states that the state treasurer, however, refused to send these bonds back.

Allegation Is Denied

In the resolution of the Michigan senate, calling for an investigation of the Central West Casualty, the statement was made that a former state employee was paid \$48,000 in commissions in connection with these depository bonds. The management of the Central West Casualty denies this allegation. The claim is made by the Central West that commissions to agents were reduced to 10 percent on depository bonds.

The only branch office maintained by the Central West Casualty was the one in Chicago under Manager Harry J. Kafka and Bonding Manager John H. O'Connor. Mr. O'Connor has been with the Central West three years. Before that he was connected with the Rockwood Company 18 years, for 16 years being in charge of its bond department. The Chicago branch was formerly in charge of Armstrong Crawford, who

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was made executive vice-president about a year ago. Mr. Crawford has been connected with the Central West since the days when it was the Michigan Automobile. He started as an agent for that company and later was made its branch manager in Chicago. Then when the Central West Casualty was formed as an outgrowth of the Michigan Automobile he became Chicago branch manager for that concern.

Illinois Lending State

Illinois was the leading premium producing state for the Central West Casualty. Michigan was next and then followed California. Wisconsin was next, then Ohio, Kentucky, Missouri and Minnesota.

President Hal H. Smith has been a prominent figure. He was a director and stockholder of the old Michigan Automobile and was the big factor in organizing the Central West Casualty. He has been a student of the business and has issued bulletins from time to time that have been quoted rather extensively. He was a member of the commission that helped to draft the original Michigan compensation law. He is an attorney, being head of the law firm of Beaumont, Smith & Harris of Detroit. He was also a member of the executive committee and attorney for the Union Guardian group of Detroit, now in receivership.

The Central West Casualty has been attacked for several months in two or three journals in Michigan. The "Michigan Digest," a weekly of Lansing, has been particularly fierce in its campaign against the Central West.

The Michigan Automobile was an out-

growth of the Michigan Automobile Insurance Exchange.

The America & Security Co. of San Francisco was the leading general agent of the Central West Casualty. The head of that concern is Frank N. Belgrano, Jr., who is also president of the Pacific National Fire. The Pacific National is-

sued a joint automobile policy with the Central West Casualty in California. Now the Continental Casualty has entered the office of the America & Security and it is understood that the Continental Casualty and Pacific National will issue a joint automobile policy.

ACCIDENT AND HEALTH FIELD

New Rates for Reimbursement

Details of Changes Made by Bureau Companies, Effective April 1, Are Announced

The rate advance on medical reimbursement policies, made effective April 1, greatly stimulated sale of these contracts in the preceding days. The contract with \$5,000 principal sum, \$25 weekly indemnity and \$500 medical reimbursement, formerly sold for \$30 for class A, has been raised to \$35. This contract now can be sold as low as \$1,000 principal sum, \$15 weekly and \$500 medical costs, at \$22.30 for class A. It was found that the principal sum charge apparently was very low and this has been raised, now being \$1.70 per \$1,000 pretty generally for companies which are members of the Bureau of Personal Accident & Health Underwriters.

Premium for the contract without death benefit, for \$25 weekly indemnity and \$500 medical costs, formerly \$25 for

class A, has been raised to \$26.50. This may be written for \$15 weekly and \$500 medical costs, at \$20.60 premium for class A.

The life and limb policy now can be written down to \$1,000, where formerly the minimum was \$5,000 and \$500 medical costs. The rate has been raised from \$23 to \$23.50 for class A. Rates for classes B, C and D are lower, those for B being reduced 10 cents, for C, \$1.35 and D, \$2.50. The rate for \$1,000 principal sum and \$500 medical costs on this form, class A, now is \$16.70. This applies to male risks. For females the rates also have been lowered on the last three classifications, being \$1 less for B and C and \$1.25 less for D.

When medical reimbursement was introduced some four years ago, a heavy loading was placed in the rate due to lack of experience. On the larger amounts of medical reimbursement, it has been found that this loading was excessive, as the large percentage of loss came in smaller brackets. The rate for additional units of medical expense coverage was reduced \$1 for class C and \$1.50 for class B per \$1,000. The minimum premium is \$7.50.

The Employers Liability is adopting the new rates, effective May 1. The Phoenix Indemnity did not change its reimbursement policy rates April 1. One or two other companies have not announced changes conforming to the bureau's advisory rates. Among the companies which made the changes effective April 1 are the Aetna Life companies, Globe Indemnity, Ocean Accident, Royal Indemnity, Pacific Mutual and United States Fidelity & Guaranty.

Ivey Moves Headquarters

Walter M. Ivey, branch manager for the Monarch Life in Pittsburgh and president of the Pittsburgh Accident & Health Managers Club, who has supervision over the Monarch's business in western Pennsylvania, West Virginia, Kentucky and Ohio, is moving his headquarters from Pittsburgh to Columbus, O., with offices in the Lanman building, in order to be near the center of the territory in which he operates. District managers under Mr. Ivey's supervision are located in Johnstown and Punxsutawney, Pa.; Youngstown, Dayton, Toledo, Cleveland, Columbus, Cincinnati and Akron, O.; Huntington and Parkersburg, W. Va. Mr. Ivey has been with the Monarch since 1916. At the

time he took charge at Pittsburgh the combined premium income was less than one-third of the premium income of his department at the present time.

Stage Past Presidents' Night

LOS ANGELES, April 5.—At the past presidents' banquet of the Accident & Health Managers Club of Los Angeles W. E. Lebby, retiring president, briefly reviewed the club's work the past year, including its two sales congresses and accident and health insurance week. Presidents of other Los Angeles insurance organizations were guests of honor.

I. C. Cunningham, Occidental Life, the new president, was installed by W. L. Thomas, Massachusetts Bonding, first president of the club. Other past presidents present were: A. G. McKinnon, H. L. Burford, E. I. Lawrence, H. F. Thompson, P. H. Ackerman, M. P. Hawkins and J. V. B. Stearns, each of whom was introduced and spoke briefly in recalling the club's activities in the past.

Bryan Made Sales Supervisor

W. S. Bryan, special agent for the St. Louis branch office of the Missouri State Life, has been appointed supervisor of sales for the accident department of the company. Mr. Bryan's first connection with the Missouri State Life was in 1913 in a clerical position with the actuarial department. He served overseas during the war and at its close rejoined the Missouri State Life and engaged in sales work. About a year ago he was made St. Louis manager for an organization in another field but again returned to the Missouri State last July.

Missouri State's New Policy

The Missouri State Life is issuing a new "universal income" accident policy to male and female risks in classes A, B, C or D. It provides stipulated indemnities for dismemberment or loss of sight, with the option of weekly indemnity for life for loss of both hands, both feet or sight of both eyes. It also pays weekly indemnity for total or partial disability, hospital indemnity and specific payments for non-disabling injuries. There is no principal sum.

The "champion" health policy and "universal" health policy are now being issued to all classes of risks. The company has discontinued the issuance of the "pennant" health and disability policies, but will renew all outstanding policies under these forms.

Bray Chicago Club Speaker

Francis Bray of the Chicago office of the Travelers, formerly superintendent of production for the Missouri State Life, will speak on "Beans and the Accident and Health Business," at the April meeting of the Accident & Health Club of Chicago next Tuesday at the Hamilton Club.

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FIDELITY AND SURETY NEWS

Write Beer Bonds in Indiana

Rate Is \$10 and \$20 Per \$1,000 According to Class — Consider Responsibility.

INDIANAPOLIS, April 5.—Various bonds required under the new statute permitting the sale of beer in Indiana are being written. For railroad dining cars and chains of drug, grocery and confectionery stores which file ten or more bonds annually in Indiana, the rate is \$10 per \$1,000 for any term of one year or less, with an annual renewal of \$10 and no refund. For all other classes of permittees, the rate is \$20 per \$1,000 for any term of one year or less.

The tendency of the companies is to be liberal on this class of bonds, but manufacturers and wholesale dealers must be financially responsible concerns of good repute. Other classes of beer bonds for persons of unquestioned, high reputation and long tenure in business can be written where the financial responsibility is comparatively modest.

Must Pay for Own Bonds

PIERRE, S. D., April 5.—The attorney general holds that when the legislature repealed the state bonding department law, it also repealed all provisions which authorize the state or any of its subdivisions to pay for the bonds of public officials, and that as the law now stands, any public official giving a bond is required to meet the expense personally. Many counties have paid for the bonds of their officers under the old statutory provision which no longer exists.

Washington Law Amended

The Washington legislature has amended the statute fixing a limit on surety companies' writings. Heretofore they could write only an amount equal to 10 percent of their capital and surplus. Under the amended act they can write in excess of that percentage if the excess is reinsured in a solvent company or companies.

Would Extend Suspension

LANSING, MICH., April 5.—A measure to extend until July 1, 1935, the emergency suspension of depository bond requirements for deposits of public money by all governmental subdivisions except the state itself has been introduced in the Michigan legislature. The original measure waiving bond protection passed at the first 1932 extra session contained a provision for automatic repeal as of July 1, 1933.

Ohio Blue Sky Bonds

After having indicated that the new Ohio blue sky laws would remove the requirement of a bond for all securities dealers in the state, the blue sky commissioner has had introduced in the legislature a bill increasing the bond requirement for these dealers. The speci-

fied requirements of the bill are \$10,000 minimum and \$50,000 maximum bonds. A number of leading foreign and domestic companies in Ohio have indicated to the commissioner that they will not issue bonds to securities dealers in the state. The bill will thus have the effect of

making it impossible for the securities dealers to do business legally under the laws of the state.

Alabama Bill Adversely Reported

MONTGOMERY, ALA., April 5.—The Alabama state surety fund bill which provides for bonding state and county officials and employees by the state has been adversely reported by the house judiciary committee after having passed the senate by a vote of 26 to 2.

CASUALTY PERSONALS

The Pacific Finance building in Los Angeles, the home office structure owned by the International Reinsurance, stood up under the recent earthquake shock remarkably well. It suffered no appreciable damage. There were some cracks in the plaster and some slight chips in the terra cotta. The whole damage cost will not be over \$1,000. It seems that all similar structures withstood the earthquake exceedingly well.

Twenty-five years having elapsed since C. D. Marsac, manager of the contract department of the New York branch of the United States Fidelity &

Guaranty, entered the service of the company, he was guest of a number of his office associates at a dinner at the Drug & Chemical Club of New York City March 31.

Spencer Welton, vice-president of the Massachusetts Bonding, is in San Francisco on company business.

Inclusion of the name of Jesse S. Phillips, chairman of the Great American Indemnity, as a member of the committee recently formed in New York City to protect the rights of owners of guaranteed mortgages and partici-

pating certificates was an error. Mr. Phillips states use of his name in such connection was unauthorized.

W. A. Miller, senior member of Miller & Miller, Chicago general agents for the Pacific Mutual Life, has returned from a two months' automobile trip to Florida and back up the east coast.

R. Howard Bland, chairman of the United States Fidelity & Guaranty, made a trip to Omaha this week. He stopped in Chicago en route.

Horace L. Hicks, formerly in charge of the Michigan payroll audit department of the Ocean Accident, died at his home in Detroit March 31 at the age of 79. He retired from active work in 1931.

Tom King, life and accident field assistant of the Travelers in Louisville, has resigned to become assistant football coach at Michigan State College. Mr. King formerly coached the University of Louisville football squad and is a graduate of Notre Dame.

C. A. Bissett completed 30 years with the Aetna Casualty & Surety April 1, 20 years as branch manager in Kansas City. Under the direction of Miss Vio-

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let Thompson, chief underwriter, who joined Mr. Bissett there in 1909, his associates arranged a surprise party. D. M. Skinner, general agent for the Aetna Life for many years, headed a delegation of 25 agents. Officials of the Casualty & Surety Association were also in attendance. H. P. Fones, with the branch since 1916, made an address of felicitation.

Mr. Bissett went to Kansas City in 1909 as head of the claim department and became manager in 1913. He joined the company originally at St. Louis, after three years practicing law at Springfield, Mo., as claim attorney. He was successively located at Indianapolis, Louisville, New York, Minneapolis and Chattanooga.

New National Surety Report

The National Surety has issued a statement showing its condition as of Feb. 28. Assets are reported as \$47,596,474, capital \$3,000,000 and net surplus \$6,000,000. Among the assets are cash \$734,577, cash due from closed banks because of depository bonds after estimated loss \$1,110,038, premiums not over 90 days due \$3,310,508, funds advanced to Greylings Realty Corporation, a wholly owned subsidiary, \$9,894,651; bonds and stocks \$28,070,097; real estate and real estate mortgages \$3,147,289.

On the liability side there are funds borrowed in connection with the advance to the Greylings Realty Corporation, \$11,500,309; claim reserve \$7,158,476; premium reserve \$9,486,219; contingency reserve \$9,187,752.

Casualty Company Notes

The International Reinsurance has entered Virginia. Principal office is at Norfolk in charge of R. Lee Page.

Directors of the American Motorists have declared the regular quarterly dividend of 1½ percent on the capital stock of \$30 par value. The company has been on a 6 percent annual dividend basis continuously since July 1, 1930.

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NEWS OF THE COMPANIES

Assessment Payable April 6

Indiana Liberty Mutual in Making Levy Against Policyholders Warns of Court Action

The assessment of one annual premium which has been made against policyholders of the Indiana Liberty Mutual of Indianapolis is due April 6. The company writes liability, compensation and full automobile coverage and operates in Indiana, Illinois, Iowa, Minnesota, Nebraska and Wisconsin. It began business in 1918. The assessment notice to policyholders in part reads as follows:

"This company is required by positive mandate of the law of Indiana to collect your assessment and if necessary, suit in court will have to be filed against you to collect the same and the directors of this company cannot escape such duty. Your court costs, attorneys fees, etc., will be greatly disproportionate to the amount you are required to pay and we hope you will not make it necessary for suit to be filed against you. If you will abide by the terms of your insurance contract with this company and pay promptly that is the only requirement of you and we are certain that no future assessments or other additional sums of money will have to be demanded from you and in fact they could not be under the law."

"Your failure to pay this assessment promptly, in full, will result in cancellation of your policy (if it is still in force) and your earned premium will not be returned to you and you will probably be required to purchase insurance from some other company at a greater cost. If you do not pay this assessment in full on or before the date fixed above, this is notice to you that as of that date cancellation of said policy will be effective without further notice."

"The assessment is made necessary by reason of the terrible financial condition through which the country has been passing in which many insurance com-

panies, large and small, have added to their funds either by assessment or otherwise because of loss of business, inability to collect its obligations, and shrinkage in the values of its securities."

"During the operation of this company, covering the past 14 years, by selling insurance to you and other policyholders for less than the regular conference or manual rates, this company has saved its policyholders \$1,500,000, and if you will figure your savings over a course of years, you will find that even with paying this assessment in full you will have saved money on the cost of your insurance."

In a notice to agents it is stated: "All automobile policies issued by this company since Aug. 22, 1932, and all compensation policies issued since Oct. 1, 1932, are fully reinsured 100 percent in Chicago Lloyds and Employers Mutual Casualty of Des Moines." Agents are urged to preserve the business because of this reinsurance back of the company's original liability.

Two suits for a receiver were filed against the Indiana Liberty Mutual recently. One based on a demand for return premium was settled. The other was brought by a former employee who is also one of the policyholders assessed under the order of the board of directors. He has based his suit upon a claim that the company will not be able to collect enough under the assessment to meet its financial obligations.

COMBATS ASSESSMENT

MADISON, WIS., April 5.—Letters have been sent by Commissioner Mortensen to Wisconsin policyholders of the Indiana Liberty Mutual advising them not to pay the assessment levied against them.

The company was not licensed in Wisconsin last year. Mr. Mortensen said in the nine years the company was licensed in Wisconsin it was paid by Wisconsin citizens \$799,496 and that it paid out in losses in this state only \$376,480.

He expressed the belief the present lack of money to pay losses was not occasioned by Wisconsin business and therefore advised Wisconsin policyholders to await developments before paying the assessment.

Pennsylvania Casualty and Associated Fire Figures

The Pennsylvania Casualty and Associated Fire, affiliated companies of Lancaster, Pa., have issued their annual statements.

The Pennsylvania Casualty shows assets of \$472,629, including bonds, stocks and real estate \$325,253, cash \$25,429, premiums in course of collection \$31,801.

Premium reserve of the Pennsylvania Casualty is \$106,942, claim reserve \$22,900, capital \$175,000 and net surplus \$60,318.

The Associated Fire reports assets of \$183,833, including bonds and stocks \$114,419, cash \$19,345, premiums in course of collection \$20,053.

Premium reserve amounts to \$40,328, capital \$100,000 and net surplus \$17,040.

The Pennsylvania Casualty has a reinsurance treaty with the General Reinsurance and the Associated Fire has a treaty with the General of Paris.

J. W. Smiley is president of both companies and E. W. Cook is general manager.

The Pennsylvania Casualty writes accident, health and automobile and the Associated Fire writes automobile.

Receivers Get \$300,000

NEW ORLEANS, April 5.—J. S. Cave, state treasurer, has been ordered by the civil district court to turn over

securities listed at \$300,000 to S. S. Levy and C. W. Beckner, receivers of the Union Indemnity. The securities were posted with the treasurer by the company for the protection of policyholders. The court order directed the receivers to keep the securities in a separate fund. The court also issued an order directing the receivers to post a joint bond of \$300,000, which will replace the two \$10,000 bonds posted when they were appointed receivers.

Hamilton Mutual to Liquidate

The Hamilton Mutual Auto Casualty of New York City, organized in 1925, has consented to the entry of an order in the supreme court at New York City directing Superintendent Van Schaick to take possession for liquidation. The department says that the company has suffered serious losses and was unable to realize on its investments to meet claims. Since the week of March 24, four companies have been taken over by the department, being the Globe & Rutgers Fire, Hamburg-American, Export Indemnity and the Hamilton Mutual.

Columbia Casualty Showing

Some questions have arisen about the showing of the Columbia Casualty in the various state experience tables, being published from week to week by THE NATIONAL UNDERWRITER. In many of these states, the Columbia Casualty shows premiums much less than losses. This is due to the fact that during 1932 the Columbia Casualty reinsurance its automobile liability and compensation in the Ocean Accident, with which it is affiliated.

Would Prosecute Claim

DES MOINES, April 5.—Authority to engage attorneys to prosecute a claim for recovery of \$322,000 in securities has been requested in district court by Commissioner Clark as receiver for the Federal Surety. The proposed litigation is based on the taking over of the assets of the Liberty of Dayton, O.

Wis. Acci. & Health—Assets, \$52,396; dec. in assets, \$6,022; unearned prem., \$7,442; loss res., \$4,343; capital, \$25,000; surplus, \$12,624; dec. in surplus, \$537. Experience:

Prems. Losses
Accident and health. \$ 63,512 \$ 31,350

Eureka Cas., Pa.—Assets, \$1,299,643; dec. in assets, \$160,831; unearned prem., \$23,017; loss res., \$71,240; lab. res., \$347; comp. res., \$120,582; capital, \$500,000; surplus, \$200,000; dec. in surplus, \$418,368; secur. fluc. res., \$358,728. Experience:

Prems. Losses
Auto liability \$ 348
Other liability 150
Workmen's comp. 8,182 37,551
Fidelity 555 8,919
Surety 10,128 76,573
Plate glass 27
Burglary and theft. 287 4,579
Auto prop. damage.. 76
Auto collision 32 100

Total \$ 19,731 \$ 127,521

Iowa State Trav. Men's Assn.—Assets, \$300,652; dec. in assets, \$130,307; unearned prem., \$28,180; loss res., \$221,237; surplus, \$47,762; dec. in surplus, \$107,190. Experience:

Prems. Losses
Accident \$ 960,553 \$ 855,186

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